

U.S. Relief Plan for Grenada May Be a Long-Range Effort

By James Feron

New York Times Service

ST. GEORGE'S, Grenada — A U.S. relief and rehabilitation program in Grenada, initiated after the U.S.-led invasion of Oct. 25, appears to be unfolding as a long-range assistance effort.

Washington's intention apparently is to provide aid in addition to repairing the damage caused by the fighting.

"We're looking at the possibility of going beyond what's justified under reconstruction," said William B. Wheeler, who is heading the program.

That means, for example, that the holes in the island's roads made by U.S. tanks would be repaired under the program and that the numerous potholes that existed before the invasion might also be fixed.

"We feel if there's a visible sign of progress, that it will help politically," Mr. Wheeler said.

Mr. Wheeler, who is director of the Caribbean Regional Development office for the U.S. Agency for International Development, was speaking not so much of creating a warmer feeling toward the United States, since a warm feeling seems to exist now.

By helping to reduce unemploy-

ment, for example, we can avoid the conditions that encouraged what happened here," he said, referring to Grenada.

What happened here was a coup in 1979 with Maurice Bishop taking over as prime minister and establishing strong ties with Cuba. Mr. Bishop was overthrown in mid-October and put to death by hard-liners in his own New Jewel Movement on Oct. 19, six days before U.S. forces and troops from six Caribbean nations invaded Grenada.

The initial U.S. relief effort, representing \$25,000 in aid, began three days after the invasion, with five U.S. experts assessing what was needed under the direction of Ted Morse, Mr. Wheeler's deputy. Food supplies were airlifted from Bridgetown, Barbados, as specialists in disaster relief, public health and other areas began ordering supplies.

The relief effort grew to more than \$200,000 within a week and represents nearly \$500,000 now. President Ronald Reagan has earmarked \$1 million for rehabilitation and reconstruction but, Mr. Wheeler said, "I think it's fair to say that won't be the end of it."

Mr. Wheeler said most of the \$58 million spent by his office in the

Eastern Caribbean last year was funneled through institutions such as the Caribbean Development Bank.

Electricity on the island seems to be almost completely restored, but telephones are still out of order in some buildings. International telephone contact is now possible, with operators asking most callers to limit their conversations to three minutes.

U.S. to Display Weaponry

U.S. Secretary of Defense Caspar W. Weinberger said Tuesday that the U.S. government would put on public display Friday the cache of weapons and other armaments seized in the invasion of Grenada. The Associated Press reported from Washington.

At a Labor Department ceremony honoring the nation's veterans, Mr. Weinberger said the arsenal would be made available for public inspection beginning Nov. 11, Veterans Day, at a hangar at Andrews Air Force Base in suburban Maryland.

Mr. Weinberger said he hoped the display would resolve the questions of "those who doubt" whether it was necessary to send U.S. forces to the island.



BREAK IN THE ACTION — Three U.S. Army soldiers heading back to duty with their rifles, boots and uniforms after a refreshing swim at a beach near Point Salines, Grenada.

Reagan, Starting Trip to Seoul, Tokyo, Sees 'Yankee Spirit' in Asian Nations

The Associated Press

ANCHORAGE, Alaska — President Ronald Reagan, heading for six days of trade and defense talks in Japan and South Korea, predicted Tuesday that the United States would forge vastly stronger bonds with Asian nations, which "have the Yankee spirit we once called our own."

Mr. Reagan spoke to several thousand members of the air force and their families who crowded into a hangar at Elmendorf Air Force Base, where the president made a brief refueling stop en route to Tokyo.

The next century, Mr. Reagan said, could see "vastly expanding economic, political and cultural bonds with these countries" of northeastern Asia and the Pacific.

"I believe we will witness a wave of productive and creative endeavors improving the quality of life on both sides of the Pacific," he said. "The peoples of the Pacific understand hard work," Mr. Reagan said. "They are not afraid of technology and innovation. They have the Yankee spirit we once called our own. We are in the midst of recapturing that spirit. Here in Alaska, you never lost it."

Peace and Prosperity

Earlier Law Cannon of The Washington Post reported from Washington.

Mr. Reagan, in an address at the White House before he left Tuesday, promised to promote peace and prosperity in the Pacific.

Addressing about 150 diplomats, cabinet members and government officials, Mr. Reagan said he and his wife, Nancy, were making the journey "as ambassadors for peace and prosperity between citizens of our lands."

The trip, which the president said "will spotlight the great impor-

tant we place on our ties with northeast Asia and the Pacific basin," will be marked throughout by extraordinary security precautions. Japan has mobilized 90,000 police officers to protect Mr. Reagan, and South Korea has alerted its armed forces.

The president said in his televised statement: "Our three countries share treasures of a rich and varied past. As freedom-loving people, we also share a great dream. Japan, Korea and America are nations of the future. We are the builders of tomorrow. And working as partners to make tomorrow better and more secure is what this trip is all about."

Mr. Reagan emphasized both trade and military security in his remarks. He noted that Japan is the United States' main overseas trading partner and that Korea is among the top 10 worldwide. The growth of trade with Asian nations underscores the importance of economic relations, especially in financial and trading matters, with both countries, he said.

On security, Mr. Reagan said: "The Soviet shooting down of KAL

007, their continued buildup in Asia, including the deployment of SS-20 missiles, are grim reminders to us: We live in a dangerous world."

"I will reaffirm America's commitment to remain a reliable partner for peace and stability in the region and the world. And in both Tokyo and Seoul, we will look for ways to make the region even more stable and secure."

Mr. Reagan's first visit to Asia as president has been as carefully scripted as a television special and reserves more time for ceremonial events, particularly in Japan, than for substantive discussions of security and trade relations.

But his political goals will be subordinated in Tokyo to those of Prime Minister Yasuhiro Nakasone, who is expected to call an election for late December and wants to demonstrate that he is respected and valued by the U.S. president.

Mr. Reagan will try to contribute to this expectation Friday by making what one official Monday called "a measured speech" to the Japanese Diet in which he will stress U.S.-Japanese unity.

Former U.S. Aides Arm Nicaraguan Insurgents

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and sabotaging an oil pipeline along the Atlantic coast.

The CIA told members of Congress that it did not approve the air raid on the Managua airport. This caused concern in Congress that the rebels could not be adequately controlled.

Congressional debate over covert operations in Central America has reached a crucial stage. The House of Representatives voted last month not to approve any money for covert activities in Nicaragua for the 1984 fiscal year but the Senate voted last week to continue financing the rebels. The issue must now be resolved by the two bodies in a conference committee.

The informal U.S. intelligence network has become something of a liability to the CIA because some of the network's activities came into public view, removing part of the secrecy that has shrouded rebel operations. For example, registration documents found in the wreckage of one of the planes that attacked the airport showed that the plane was once owned by two companies associated with the CIA.

The support network includes CIA-owned airplanes used in the Vietnam War. Although the CIA has tried to conceal the ownership and movement of the planes, public documents filed with the Federal Aviation Administration make it possible to trace sales of the aircraft.

The CIA, according to admini-

stration and congressional sources, has been supporting both the Nicaraguan Democratic Force, based in Honduras, and the Revolutionary Democratic Alliance, based in Costa Rica. The alliance has said it was responsible for several attacks inside Nicaragua, including the raid on Managua that resulted in the crash of a Cessna-404 at the Managua airport.

The ownership of the crashed plane can be traced back to the Investair Leasing Corp., of McLean, Virginia. Investair bought the plane in October 1982 from Summit Aviation Inc., of Middletown, Delaware.

Both the Summit company, established in 1960 by Richard C. du Pont Jr., and Investair, which was organized in 1982, do classified military work for the government, according to company officials and congressional sources.

Summit's customers include Honduras and Haiti as well as the CIA, according to sources familiar with the company's operations.

Summit has maintained and modified planes for Armairco, a company involved in a covert government project, according to public records and Armairco officials.

Armairco, based in La Jolla, California, was set up in 1982. Armairco has bought several planes in the last year, including two Beechcraft King Ains. These planes were purchased directly from Beech, a procedure normally restricted to military projects.

Andropov Photograph Featured in Soviet Press

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because of a cold. His absence from public view since Aug. 18, they said, persuaded them that his illness is graver than a cold.

"The man must be very ill either politically or physically to have passed up an occasion like this to prove that he is not incapacitated," a State Department official said.

Although Mr. Andropov may recover, some specialists say a prolonged absence is likely to feed behind-the-scenes maneuvering for power with the armed forces and Defense Minister Dmitri F. Ustinov playing a strong role, as they did in Mr. Andropov's ascension to power a year ago.

In the past, the likely successor to a Soviet leader would have to combine full membership in the ruling Politburo with responsibility as one of the national party secretaries in charge of day-to-day management of the party.

The three people that now have such a combination of power and titles are:

• Mr. Chernenko. But at 72, he is believed to have lost power in re-

cent months during maneuvering for key appointments.

• Mikhail S. Gorbachev, at 52 the youngest member of the leadership, with a reputation as a rising, forceful leader who moved beyond his traditional role as the top manager of agriculture to take some responsibility in other areas.

• Grigory V. Romanov, 60, a former Leningrad party secretary who was promoted in June to a national party secretary's post and given the task Saturday of delivering the annual policy speech on behalf of the leadership.

Some specialists say that if Mr. Andropov is seriously incapacitated his absence may presage a fairly long power struggle.

Many specialists said they were skeptical, even before his absence, that he had consolidated his hold. "He has clearly lost No. 1," said a diplomat. "But he has not been in charge. I think you can see that in the confusion of his handling of the Korean airliner incident, their recent conflicting statements on what they would do if we went ahead with our European missile deployments, and in their handling of economic policy."

WORLD BRIEFS

O'Neill Sends Apology to Mrs. Reagan

WASHINGTON (AP) — The speaker of the House, Thomas P. O'Neill, has written a personal apology to Nancy Reagan for his remarks about how she could become "queen of Beverly Hills" if her husband chose not to continue as president.

A spokesman for the speaker confirmed Tuesday that Representative O'Neill apologized to Mrs. Reagan in a personal note. Last week in The New York Times, Mr. O'Neill expressed dismay with Mr. Reagan's foreign policy and work habits, and added: "He could quit tomorrow and she would be queen of Beverly Hills."

Kohl Assails Soviet Nuclear Policy

BONN (Reuters) — Chancellor Helmut Kohl accused Moscow Tuesday of pursuing a policy of nuclear supremacy and political expansionism as he opened a major counteroffensive here against opponents of NATO's deployment of new missiles.

Addressing an international conference on "Europe's responsibility for peace," Mr. Kohl also defended the Western nuclear deterrent as the only guarantor of peace. He told 300 delegates that to avoid opening itself to blackmail Western Europe could not accept a Soviet monopoly in land-based, medium-range nuclear weapons.

"The Soviet Union wants to threaten us Europeans and at the same time stop the United States from protecting us," he said. The congress is the main one in a series being organized by Mr. Kohl's Christian Democratic Union to counter the widespread campaign against NATO's deployment in Europe from next month of Pershing-2 and cruise missiles. In Rome, the Italian defense minister, Giovanni Spadolini, said Tuesday that U.S. cruise missiles slated for Italy will be temporarily installed at a navy air station at Sigonella, Sicily, before being transported to a nearby NATO base for permanent deployment. He did not say when the missiles would arrive.

Angolan Air Crash Reported to Kill 150

LISBON (AP) — A Boeing 737 airliner of the Angolan national carrier TAAG crashed shortly after takeoff Tuesday from Lubango in the African nation's Huila province, the Angolan news agency reported.

The Angolan agency ANGOP, monitored here, gave no word of casualties. But the Yugoslav news agency Tanjug said all 150 passengers and crew members on the plane, on a regular flight from Lubango to Luanda, had been killed. Tanjug, monitored in Belgrade, said all those aboard were believed to be Angolans.

ANGOP quoted airline officials in Luanda as saying the plane crashed about 100 meters (110 yards) from the end of the runway at Lubango.

Flynt Ejected From Supreme Court

WASHINGTON (AP) — Larry Flynt, publisher of *Hunter* magazine, was forcibly removed from the Supreme Court session Tuesday after he screamed obscenities at the justices.

The outburst occurred just as the court concluded hearing arguments in a case in which Kathy Keeton, vice president of Penthouse, a competing magazine, contends she was libeled by Mr. Flynt's publication. The court had rejected a request that Mr. Flynt be allowed to represent himself.

Mr. Flynt continued shouting at the bench as Chief Justice Warren E. Burger told an assistant marshal to remove him from the court. A court spokeswoman said Mr. Flynt had been arrested and charged with contempt of court.

Black Is Front-Runner in Philadelphia

PHILADELPHIA (AP) — Philadelphia voters were expected to elect their first black mayor Tuesday in one of the most widely watched of the elections scattered across the United States. W. Wilson Goode, a Democrat and a former city managing director, has a commanding lead in polls.

Voters were to elect governors in Mississippi and Kentucky, fill two seats in Congress vacated by the deaths of incumbents and choose mayors in several major cities.

In Washington, former Governor Daniel J. Evans, a Republican, is running for the Senate seat to which he was appointed two months ago after the death of Henry M. Jackson, a Democrat. In Georgia, voters will choose a successor to Representative Larry P. McDonald, a Democrat, who was aboard the South Korean airliner shot down Sept. 1 by a Soviet fighter. Katherine McDonald, his widow, is running against state Representative George Darden, another Democrat.

Senate Votes Nerve-Gas Production

WASHINGTON (AP) — The Senate approved, 47 to 46, on Tuesday the production of new nerve-gas weapons, as Vice President George Bush cast the deciding vote.

The House earlier rejected the \$124-million program. But the Senate's decision followed arguments by President Ronald Reagan that the nerve-gas bombs and artillery shells should be produced to prod the Soviet Union into a negotiated reduction of chemical stockpiles.

The Senate Appropriations Committee had sided with the House and recommended blocking nerve-gas funding and continuing the 14-year freeze by the United States on the production of chemical weapons. But John Tower, Republican of Texas, chairman of the Senate Armed Services Committee, successfully moved to restore money for the weapons. A conference committee will now have to negotiate the difference between the House and Senate on the issue.

For the Record

Belgian Socialist trade unions staged a token 15-minute "peace strike" Tuesday as parliament began debating NATO plans to deploy new U.S. medium-range nuclear missiles in Western Europe. (Reuters)

Dutch Labor Disruptions Center on Welfare Cuts

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160 billion guilders, according to published figures.

When it announced the budget in September, the government said the Dutch economy had "degraded"

and the only way to put it back on track was to cut down drastically on public spending by cutting social welfare benefits and public investments, to strengthen the private sector through tax breaks and other investment-inducing measures, and to reduce unemployment by work-sharing.

The unions say they accepted the principle of work-sharing and agreed to last year's contract for the private sector only on condition that the government create new jobs. They charge that the government has failed to do so.

Foreign observers thus see a sharpening conflict between the government and the unions and predict a widening of the strikes.

Most of the government's critics concede that the Dutch welfare system will remain one of the most highly developed institutions of its kind even if the 3.5-percent reduction in benefits is carried out.

"Nobody here will go hungry and no one is without a roof," said a leading editor in Amsterdam, adding that the poorest and weakest members of society will still be taken care of. The shock of the new policies, he said, was that a lot of people who had been comfortably off were likely to see themselves pushed down close to the lowest level of the social scale.

"We'll have a lot of what someone has called 'doctors' widows' — divorced wives and widows of independent professional men who did not make sufficient social security provisions and to whom the system will not be kind." He added that a lot of teachers and intellectuals would lose their jobs as schools, universities and research institutes felt the reductions, and that tens of thousands of social workers and hospital employees would be laid

off with the cut in welfare services.

"All these people thought of themselves as safely above the poverty level for all times, and they are finding out that is not so," he said.

"We are becoming part of the age of people thinking only of themselves," said a politician after having explained that for about three decades the Dutch had been "a people deeply conscious of social justice, perhaps to a fault."

He predicted a polarization of employed and unemployed.

Assessing the causes of Dutch unemployment, experts cite the following factors:

• The baby boom of the 1960s is still making itself felt. The country has a work force of about 4.5 million people. Each year, about 80,000 young people are leaving school and entering the labor market, more than four times as many as in the 1970s. The newcomers cannot be absorbed. Their number will not start to drop for another 5 or 10 years.

• Although a socially "liberal" country, the Netherlands has been surprisingly slow in giving jobs to women. Only in recent years have women begun to enter the labor market in force.

• With its many huge refineries and its petrochemical industry, the Netherlands was harder hit than most industrialized countries by the successive oil-price shocks and basic changes in the country's industrial structure have been slow in coming. The textile industry, once of key importance, has been almost entirely moved to Third World countries with cheaper labor.

DEATH NOTICE

JACK MACURDY, who served on the editorial staffs of *Redbook*, *Ladies Home Journal*, *McCall's* and *Housewife* magazines, died October 28, 1983. A New York City resident, Mr. Macurdy attended the International School of Journalism, Down State, in Brooklyn, and Harvard University. During WWII he served in the Engineer Communications Battalion.



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Press Sees Grenada News Curbs Hurting U.S. Stand on Controls

By Jonathan Friendly

New York Times Service

NEW YORK — Some American reporters and press organizations say the Reagan administration's restrictions on the press in covering the invasion of Grenada may damage Washington's position in a continuing international debate over press controls.

Western news organizations and most Western countries, including the United States, have been fighting proposals for controls on the gathering and dissemination of news. The suggestions have been put forward by the Soviet Union and many developing countries.

Those proposals, advanced in the last decade in forums of the United Nations Educational, Scientific and Cultural Organization, include giving governments a right to force the press to report positively about government actions and licensing journalists as a way to protect them in war zones.

In a move broadly criticized by press groups, the Defense Department barred reporters from covering the first two days of fighting in Grenada and then provided limited guides to some parts of the island for two more days. The Pentagon said the limitations were initially needed to prevent advance

disclosure of the operation and were later retained because the military could not assure the safety of correspondents.

On Sunday, the man who approved the news restrictions, General John W. Vessey Jr., chairman of the Joint Chiefs of Staff, said he would create a special office and journalists to review the restrictions in the first days of the invasion.

Leonard R. Sussman, executive director of Freedom House, a New York organization that has fought against press restrictions, said he anticipated the news controls in Grenada would be cited this week at a UNESCO conference in Paris.

Mr. Sussman is a member of the U.S. delegation to that meeting, which is scheduled to discuss a range of communications proposals, including a Soviet resolution that, among other things, affirms the right of governments to control some kinds of news.

An official in the State Department's Office of Communications and UNESCO Affairs said the delegation to the Paris meeting had been instructed on the Grenada news-control question because "it is likely some nations will be made" of the issue. But he declined to say what the instructions were.

Mr. Sussman said that although he thought the controls were wrong, he intended to respond to any criticism by noting that the controls were less restrictive than those routinely imposed by other nations and that they were finally lifted after an "uproar in the press of the kind that only happens in a free society."

Seymour Topping, managing editor of The New York Times, said, "The extraordinary restriction imposed on the press in the coverage of the Grenada invasion prejudices the position the United States has taken in international forums on freedom of the press." Mr. Topping is chairman of the international communications committee of the American Society of Newspaper Editors, which, like other press groups, protested the controls.

He said the Western arguments to be made in Paris "inevitably will suffer as a consequence of the example set by the Defense Department in denying access to correspondents in the coverage of the Grenada operation."

Journalists were particularly critical of the Defense Department's reasoning that reporters should not be allowed in Grenada until their safety could be assured. UNESCO has debated the issue of identification cards to journalists as a way to protect them in combat zones, but the Western press has said, as it did in Grenada, that reporters are responsible for their own security and that the proposed cards could easily turn into a system for governmental licensing of journalists.

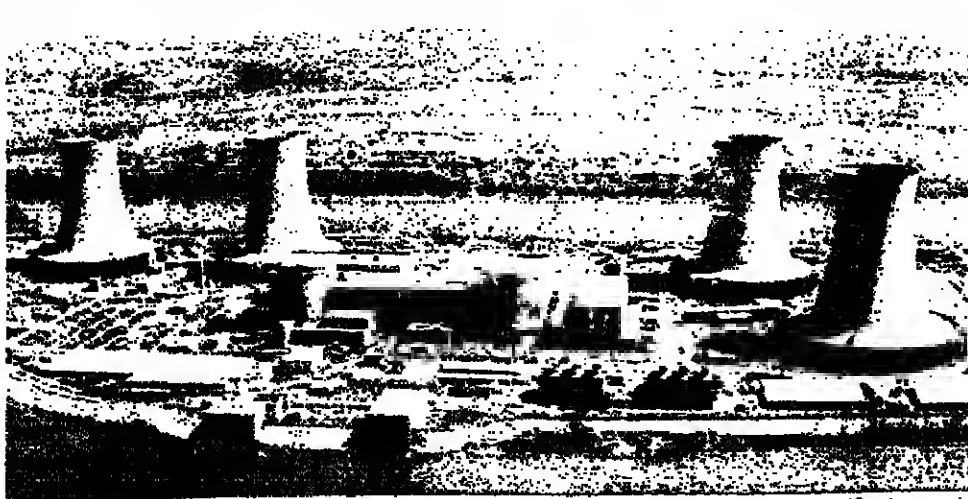
The question has been a source of confusion for years and has been widely regarded as overdue for clarification. The justices Monday accepted an appeal by Dun & Bradstreet, Inc., from a ruling of the Vermont Supreme Court that concluded that the financial reporting service was not entitled to the shield against punitive damages in libel suits that the court has given to the media.

Dun & Bradstreet, which offers financial analysis to private clients, is not claiming to be part of the press. Rather, it is arguing that there should be no distinction between the potential exposure of media and nonmedia libel defendants to punitive damages.

The company was sued in 1976 after it erroneously advised its clients that a Vermont company, Greenmoss Builders, had filed for bankruptcy. Actually, a Greenmoss employee had filed for personal bankruptcy and the company was not involved.

The error was one of negligence rather than "actual malice," which the Supreme Court has defined as knowledge of falsity or reckless disregard for the truth. A 1974 Supreme Court decision held that states may permit compensatory damages for negligent libel, but the more onerous punitive damages may be not be awarded without proof of actual malice.

After Greenmoss won \$50,000 in compensatory damages and \$300,000 in punitive damages, the trial court ordered a new trial. The Vermont Supreme Court overturned that decision, ruling that the 1974 decision did not apply to nonmedia defendants. In its appeal Dun & Bradstreet is arguing that the distinction is indefensible and unintended by the court.



Three Mile Island nuclear plant near Harrisburg, Pennsylvania, site of the 1979 accident.

Ex-Operator Indicted for False Data On Leaks at Three Mile Island Plant

By Mary Thornton

Washington Post Service

WASHINGTON — Metropolitan Edison Co., the former operator of the Three Mile Island nuclear power plant, was indicted Monday by a U.S. grand jury in Harrisburg, Pennsylvania, on charges of falsifying and concealing records about leaks at the plant before the March 1979 accident that shut down the facility.

U.S. Attorney David Dart Queen, who announced the 11-count indictment, said that Metropolitan Edison had "systematically destroyed, discarded and failed to retain records" of the leaks and that the company "concealed and covered up" the leaks from the Nuclear Regulatory Commission.

Metropolitan Edison no longer operates the plant, situated near Harrisburg. After the accident, the General Public Utilities Corp. formed a new subsidiary, GPU Nuclear Corp., to

handle all reactor-related work for the parent company.

Company officials said Monday they had not had time to study the indictment. Doug Bedell, a spokesman for GPU Nuclear Corp., said that the utility's policy "has always been to operate in accordance with the conditions of its license and applicable regulations."

The indictment said Metropolitan Edison "knowingly and willfully falsified, concealed and covered up by trick, scheme and device" the fact that it "did not accurately measure the amount of reactor coolant leakage from unidentified sources."

Metropolitan Edison was also accused of intentionally manipulating the test results by adding water and hydrogen in an attempt to raise the water level indicator in the coolant system.

The utility was charged with "a pattern of criminal violations beginning sometime before Oct. 18, 1978, and continuing through

March 28, 1979," when Three Mile Island became the site of the worst commercial nuclear accident.

During the accident, the plant's Unit 2 reactor lost water from its cooling system and overheated and the nuclear fuel rods in its core began to melt down.

The action will allow the Pacific Gas & Electric Co. to begin loading fuel next week into one of the two reactors at the \$4.3-billion plant.

In November 1981, the plant's license was suspended after the utility discovered that blueprints for reactor supports that would enable the plant to withstand a major earthquake had been reversed.

U.S. Experts Deny Aliens Causing Organ Shortage

By Tim Golden

Los Angeles Times Service

WASHINGTON — Medical experts have presented evidence at a House hearing disputing recent allegations that wealthy foreigners coming to the United States for kidney transplants have an impact on the shortage of organs available to Americans.

The physicians and researchers told a House Science and Technology subcommittee Monday that the foreigners, mostly from Saudi Arabia and Greece, make up only a tiny percentage of transplant patients here.

Subcommittee members have proposed legislation to create a national network for organ transplantation that would coordinate donors with patients and make illegal the sale of body organs.

The hearing examined the possibility of establishing national priorities for the allocation of organs, but Representative Albert Gore Jr., a Democrat of Tennessee, the subcommittee chairman, concluded by saying he would not try to include medical criteria and nationality in a priority list in proposed legislation.

As the hearing opened, Mr. Gore had reiterated a charge made by Washington-area doctors and patients that foreign nationals, because they normally can pay in cash and can afford to pay higher costs, are leapfrogging over Americans on the long lists of patients awaiting kidney donations.

However, under Mr. Gore's questioning, two representatives of the Washington Patient Action Committee conceded that the only evidence they had of higher payments by foreigners was a "common rumor."

But "the idea that medical ser-

vices and care... should end at our national boundaries is an archaic system," Professor Warren Reich, a medical ethics expert at Georgetown University, Washington, D.C., told the committee, citing "serious moral problems."

Nicholas Feduska, a transplant surgeon at the University of California, San Francisco, released an American Society of Transplant Surgeons survey covering about 75 percent of transplants in the United States in 1982 showing that only 3.5 percent of the kidneys went to nonresident aliens, and that about 85 percent of hospitals responding gave priority to Americans as a matter of policy.

Pentagon Fraud Squad Claims Some Successes

By Leslie Majland Warner

New York Times Service

WASHINGTON — When it was disclosed in testimony at a Senate hearing last week that the Pentagon had paid \$9,609 for a wrench, outraged senators cried, "It's criminal!"

They were not necessarily correct, at least as far as the law is concerned. The job of deciding when fraud and waste in spending by the Defense Department can be prosecuted belongs to a handful of lawyers and investigators who have spent the last year in an office in nearby Alexandria, Virginia. It is no small matter, considering that the Pentagon spends at the rate of \$600 million a day.

In the year since the Defense Procurement Fraud Unit was set up by Attorney General William French Smith and Defense Secretary Casper W. Weinberger, it has handled about a dozen prosecutions and recovered about \$3 million, according to Richard A. Sauber, the Justice Department lawyer who heads the group.

Investigators have unearthed forged invoices that jacked up prices on parts purchased by the air force. They have identified corrupt quality-control inspectors, paid off by a contractor to cast a friendly eye on fine-tuned screws for the B-1 tank. And they have struggled with countless time sheets and workers' family memories to prove that contractors sometimes shift labor costs from one project to another, as it suits their balance sheets.

"The idea was to get access to allegations about procurement fraud at the earliest level, so that cases could be investigated and prosecuted as they arose," said Mr. Sauber.

Mr. Sauber, however, contends that the establishment of his unit in October 1982 has permitted the government to seek criminal penalties for abuses that would have received more lenient treatment in the past.

According to Mr. Sauber's office, the Defense Department suspended 179 contractors in 1982 and 270 so far this year; 40 of those suspensions can be attributed to the new unit, according to Mr. Sauber.

In the case of the \$9,609 wrench, the situation is more complicated than normal fraud. According to Mr. Sauber, "once the Pentagon's poor judgment is discovered, the government can attempt to get a company that vastly escalates its prices to voluntarily return some of the overpayment. Or it can bring a civil suit against the contractor in an effort to retrieve the money. But Mr. Sauber says he rarely can get involved."

"For the most part, when there's disclosure as to what the price will be, but we go along, it's not a crime," he said. "It may be stupidity, laziness or bad management, but it's not a crime when we pay too much for something."

Mr. White 24, publisher of the Mexico Ledger of Mexico, Missouri, and chairman of the American Committee of the International Press Institute, said the idea of protecting journalists was an insult to the memory of war correspondents killed "so that the American public could have an accurate accounting of the progress of fighting."

Supreme Court to Clarify Libel Law In Suits Against Nonmedia Groups

By Linda Greenhouse

New York Times Service

WASHINGTON — The Supreme Court, expanding its examination of libel law, has agreed to decide whether the constitution protects nonmedia organizations against libel suits by private individuals to the same extent that it protects the press.

The question has been a source of confusion for years and has been widely regarded as overdue for clarification. The justices Monday accepted an appeal by Dun & Bradstreet, Inc., from a ruling of the Vermont Supreme Court that concluded that the financial reporting service was not entitled to the shield against punitive damages in libel suits that the court has given to the media.

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Herald Tribune

Published With The New York Times and The Washington Post

The Euromissile Dance

The approaching December date for deployment of U.S. medium-range missiles in Europe has concentrated Moscow's mind. It has elicited Soviet threats to make the present Geneva talks the last and to move missiles of lesser range into Eastern Europe. It has evoked a flood of Soviet propaganda about trigger-happy Americans in Grenada. And it has brought yet another arms control proposal from the Soviet leader, Yuri Andropov.

Unfortunately, Mr. Andropov still insists that his mobile SS-20s in Europe justify no matching U.S. force. That, for now, makes any deal unlikely. But it is this battle over the SS-20s that the Euromissile dance is all about.

Mr. Andropov says he is willing to hold the SS-20s launchers in Asia at 100 to 150. He meets President Reagan's offer to negotiate about medium-range missiles by hinting at compromise. And he finally acknowledges that the 162 missiles possessed by Britain and France might be balanced by fewer than 162 Soviet launchers. He suggests reducing the 252 SS-20s aimed at Europe to about 140.

Moscow's prior demand for some kind of "equality" with Britain and France has been its most effective — and misleading — argument. With three independently targeted warheads, 140 SS-20s could hit 420 targets.

But what really is the British and French capacity? Moscow sometimes lists three warheads for Britain's Polaris missiles, but these cluster bombs can only hit one target, as the SALT-2 treaty recognized. And 144 of the British and French missiles are submarine-based; fewer than half are operational and within range at any time. In fact, 30 SS-20s at most could match them. More properly, British and French submarine missiles should be

measured against Soviet submarine missiles, which carry 1,800 warheads. Again, not all are in range at any given time.

But in any case, if multiple-warhead missiles raise the British and French arsenal toward 1,000 warheads in a decade, as planned, they almost certainly will have to be brought into the Soviet-American arms control process. By seeking excessive compensation for British and French forces now, Moscow is using a pretext to bar American missiles from Europe to assure itself a huge regional advantage.

And the purpose of that is political: to divide NATO by decoupling West Germany and other nations not defended by the British and French weapons from the American nuclear shield.

A Soviet regional advantage counted for little in the 1960s, when the strategic superiority of the United States protected Europe. But strategic parity has since changed perceptions; there can be doubts whether Americans, unless engaged on the Continent, would risk all-out war to defend Europe. Hence the NATO decision in 1979 to balance the SS-20s with 572 cruise and Pershing-2 missiles unless parity at lower levels could be negotiated.

Moscow is betting on Europe's anti-nuclear movement to upset the alliance's resolve. But the North Atlantic Treaty Organization can finally begin deployment and still leave time to freeze them at a modest level. What Moscow might note is that reversing the Pershing-2 deployment — its major objective — will be harder than forestalling it now, as the Europeans believe still possible. A better Soviet offer in the next two months could save everyone from a year or two of tense diplomacy.

—THE NEW YORK TIMES.

Rangoon Speaks Out

From Burma, a place whose passages go unnoted by most Americans, comes a cheering example of stalwart international conduct. The scene is a month ago of a bombing that nearly wiped out the visiting South Korean leadership. Burma has stood up to be counted in circumstances where it might well have looked the other way.

Burma is something of a hermit state, though less so in recent years than it had been. Few would have been surprised if the Burmese, in their tradition of supple nonalignment, had simply let the official investigation of the bombing drag on and culminate in a toothless report some months or years down the line. Plenty of ostensibly more involved nations have shied from dealing forthrightly with terrorism on their soil. Instead, the Burmese, after a four-week investigation, "firmly established" North Korea's responsibility for the crime, said so and closed down the offending country's embassy. Outrage and pride evidently led Rangoon to do the right thing.

South Korea had already been urging other noncommunist countries with ties with North Korea to break them off in retaliation for the Rangoon bombing. Since what Seoul calls "retaliatory diplomatic measures" are much to be

preferred over more direct and forceful responses, and since South Korea has truly been abused, it is difficult to take issue with its appeal. Still, no one should pretend that further isolation will likely lead the odious North Korean regime to change its character. Eventually, — probably this will be possible only when its leadership changes — ways will have to be found to draw this rogue state into civilized international company.

As it happens, President Reagan is about to visit South Korea. Despite the recent attack in Burma, the Korean peninsula is relatively quiet these days; Moscow and Beijing on one side and Washington on the other have been attentive in their respective ways to the requirements of regional stability. Mr. Reagan no doubt will want to assure the South Koreans of the United States' continued solicitude for their security and well-being. He should want to hear from them assurances of their continued patience and restraint. A quiet discussion on South Korea's plans to improve its performance in human rights is also in order. The more it can distinguish itself from North Korea, the closer its links with friendly democratic nations will be.

—THE WASHINGTON POST.

A Quiet Visit to Japan

President Reagan's trip to Japan will complete his circuit of the principal U.S. allies and trading partners in Asia. There is not much serious negotiation to be conducted. The journey is essentially a gesture. But the gestures of international politics, the expressions of common interest and concern, often carry more weight than the matters of substance over which negotiators struggle endlessly.

One virtue of presidential trips is that they usually induce governments to settle outstanding issues to prevent them from clouding presidential discussions. The long wrangle over the fourth year of quotas on imported Japanese cars was concluded last week — had economic policy, but at least a temporary removal of a longstanding irritant. As for defense, that perennial item of Japanese-American agendas, Mr. Reagan hardly has to mention it.

Recent events, from the incursion Soviet communists on missiles to the attack on the South Korean airliner to the assassination of the South Korean leaders in Rangoon, make the case for a well-maintained alliance more forcefully than an American president can.

If Mr. Reagan's several days in Tokyo are serene to the point of boredom, both Americans and Japanese ought to take that as the reward of much hard work over many years. Over the past generation, the international economic system, over which the United States presides, has proved sufficiently flexible and farsighted to accommodate the rapid rise of a great new industrial power.

That has not happened often in the melancholy history of the modern world without dangerous political strains and sometimes war. Recollections of World War II are never very far in the background of American-Japanese political conversations. But the tone of those conversations, as they go forward currently, is evidence that both countries have reflected deeply on those terrible years.

The most useful trips are often the least newsworthy. A truly dull trip means that careful preparations have left nothing to the people at the top but presence and photographs. It is not an obvious kind of international triumph, but it should not be overlooked.

—THE WASHINGTON POST.

Other Opinion

Setback for the Generals

Sunday's legislative elections in Turkey can only be considered as a pseudo-democratic non-event; fundamentally, the regime will remain military.

But despite the regime's pre-election precautions — the banning of former political figures, suppression of new political groups, preselection of political candidates, and General Evren's attacks on the victor, Turgut Ozal —

the voters inflicted a blow to the generals. Doubtless, the Turks, voting again just one year after the plebiscite that endorsed General Evren, wanted to say that the time had come for the army to return to the barracks and the country to civilian rule. But did General Evren, who holds the keys to power in Turkey — to dissolve parliament, appoint high-ranking officials and impose or lift martial law — get the message?

—Le Monde (Paris).

FROM OUR NOV. 9 PAGES, 75 AND 50 YEARS AGO

1908: Protest in Turkish Town

CONSTANTINOPLE — The Minister of the Interior has just received a telegram from Gümüshane, near Adrianople, informing him of serious disturbances there yesterday. A hodge who had spoken against the Constitution was condemned to a slight imprisonment, but the inmates, hearing of the judgment, took the holy banners from the mosques, raised some 10,000 Muslims and marched to the courthouse, where they protested against the electoral irregularities. They entered the town hall, and seized and beat the military governor. The few Christians who dwell in the town have left their houses at the mercy of the mob. It is feared there will be bloody encounters with the crowd, which has been excited against the new regime by reactionaries.

1933: 20 Dead in Cuban Revolt

HAVANA — For the second time since Dr. Grau San Martin became provisional president of Cuba, Havana shook under shellfire yesterday, when the ABC, a secret political society, supported by the army air corps, launched a determined revolt to reinstate former President Manuel Calles de Cespedes. The fighting has claimed 20 lives, while scores of persons, including pedestrians, are reported wounded. The fighting began before dawn when a group of planes under Captain Guillermo Martuli raided the city, clearing the streets and terrorizing the populace. President Grau San Martin issued a statement in which he declared the government had been victorious "over the criminal attempt to destroy the legitimate aspirations of the Cuban people."

The Growing Threat of Famine in Africa

By Edouard Saouma

The writer is director-general of the Food and Agriculture Organization of the United Nations.

ROME — While some people in the Northern Hemisphere are kept awake by distant visions of destruction in a nuclear war, a nightmare has already begun for millions of Africans.

People in at least 22 sub-Saharan countries are facing food shortages, which, if not overcome within six months, will result in famine far greater than that experienced during the Sahelian food crisis a decade ago.

The current shortage threatens two of every five Africans south of the Sahara. Several countries in Southern and Eastern Africa are facing their third consecutive season of poor harvests. The main cause is two successive years of severe drought. Insects have severely damaged crops in the cassava belt from Senegal to Mozambique, while outbreaks of rinderpest, an acute infectious disease affecting cattle, are taking a heavy toll. Bush fires have scorched Western Africa, and war and civil strife have disrupted farming in many areas. Many of these countries are landlocked, and transport and communications are inadequate.

Throughout the 22 countries the story is the same. The 1983-84 harvest, at under 14 million tons of cereal grains, will be almost a quarter of that of two years ago. It has been more than 10 years since food production has kept up with population growth in Africa.

In Ghana, Mauritania, Mozambique and Senegal, stocks held by governments, private traders and farmers are nearly exhausted. Already, we have received reports from Mozambique of the first deaths from starvation.

Following the Sahel crisis of 1973-75, the United Nations Food and Agriculture Organization set up a global information and early warning system to give advance notice of potential

food shortages. This, together with improvements in administrative and distribution structures, has increased the chances of getting food to the hungry in time.

The grace period is, however, disappearing. Increasingly grave reports prompted me in April to establish a task force to review and monitor the food and crop situation in African countries threatened by abnormally low food production. On May 6, I appealed for extra food aid and other assistance for these countries.

Prospects for the 1983-84 harvest became worse as the year progressed. In August, satellite pictures showed that the so-called Green Belt, which normally appears across the Sahel during the most critical period of the growing season, had moved south by an average of 200 kilometers (124 miles), leaving a huge and normally productive area parched and useless.

On Oct. 19, I convened a special meeting in Rome of the 22 affected countries, 35 donor countries and international organizations in an attempt to speed delivery of existing aid commitments and to find ways of providing extra assistance. A report prepared for the meeting recommended that the 22 countries be provided with a minimum of 700,000 tons of food aid over and above the previous year's requirements. It also said that \$76 million was needed to supply essential inputs for food production, for measures to control animal disease, to rehabilitate agriculture after the emergency and to distribute food. The 22 countries' minimum cereal import needs for the 1983-84 growing season are estimated at 5 million tons. Imports during the 1982-83 season totaled 3.3 million tons, 1.8 million of which were accounted for by commercial imports. Shortages of foreign exchange make any increase in this figure extremely unlikely. Deliveries of food aid will need to be more than twice the 1.5 million tons of the previous year if the countries are to achieve the target.

Despite the downturn in U.S. grain production due to drought, world reserves are adequate to meet African import needs. Cereal prices are, however, significantly higher this year, which may add to problems in the months ahead.

Many things need to be done in these and other food-deficient countries. They have got to take a fresh look at national efforts, mobilize their own resources, streamline local transport and improve other logistics.

Over the long run, they must give higher priority to food production and pay more attention to the poorest people — the subsistence farmers, landless laborers, nomadic pastoralists and the women and children who make up the bulk of Africa's poorer population.

In the short term, a major international effort is needed to stave off widespread famine in Africa in the coming months.

I have, therefore, called on donor countries to meet here in Rome on Thursday. I will urge them to speed deliveries of food and aid already pledged, which currently amount to about 25 percent of requirements. I will also ask them for specific pledges to increase contributions of food and cash over what had been promised.

I sincerely hope and trust that they will respond with adequate help in this urgent and critical situation.

International Herald Tribune.



Just when you thought it was safe to go back in the water...

On Grenada: The Injury to British Pride Was Not Fatal

By Sir Nicholas Henderson

LONDON — Margaret Thatcher does not reflect the British character in one important respect. She dislikes ambiguity, a quality that lies at the heart of many of our institutions — not least the monarchy and the Commonwealth — and that has hovered over the Grenada imbroglio.

At the start of the Falklands crisis last year, when Alexander Haig was in London to begin his attempt at shuttle diplomacy, he put forward ideas for a negotiated solution that Mrs. Thatcher found unclear. To her objection to that score, the U.S. secretary of state retorted that in the circumstances he saw virtue in "certain constructive ambiguities." He was soon to find out that Mrs. Thatcher is not attracted by such things.

Her insistence in clarifying her attitude beyond all shadow of a doubt turned the Grenada issue into a trans-Atlantic row and compounded her problems within her own party and with sections of the British public opposed to the deployment of cruise missiles.

Initially she had taken the line that while she had advised President Reagan against invading Grenada, she recognized that the U.S. government saw things differently. But later her line hardened: Western countries did not use force "to walk into other people's countries." Foreign Secretary Geoffrey Howe also moved nearer to condemnation, saying that the invasion was not justified on the grounds of danger to American citizens or of the Cuban-Soviet presence.

These remarks gave rise to astonishment in the United States. Where was the gratitude for U.S. support for Britain over the Falklands? I do not believe that these speeches of the prime minister and foreign secretary marked the opening of a campaign to denigrate the Americans. Mrs. Thatcher is apt to be carried away in pursuit of clarity and principle. Sir Geoffrey Howe is a lawyer, and as such brings legal qualities to the conduct of foreign policy. Subsequently in Parliament, where he is under heavy attack from his own party, he was more conciliatory, emphasizing support for any Commonwealth initiative in Grenada.

I believe that Grenada's membership in the Commonwealth and the queen's role as head of state of Grenada lie at the root of the problem. Had the United States invaded some small non-Commonwealth country in the Caribbean there would have been protests in Britain (as elsewhere), but not with the same intensity, not with the same sense of injured pride. Not that the role of the queen or the involvement of the Commonwealth is at all clear to most people.

Grenada is not British, nor is the governor general. He will not be seen in a plumed hat. The British government has no responsibility whatever for the island.

The queen is queen of Grenada and appoints the governor general on the advice of the government of Grenada. But having made the appointment, she has devolved all powers upon him. He is under no legal obligation to consult the queen on the running of the government or country. When the constitution is paralyzed, as it has been, the governor general has the right and duty to do what he can to restore and uphold it.

he has reserve powers for that purpose. But he does not have a mandate to do as he pleases.

The Commonwealth consists of 48 sovereign independent countries, 25 of which are republics, some of which have their own monarchs. The only two things that all members of the Commonwealth have in common are that they have been, in some degree, dependent on the United Kingdom, and that they all acknowledge the queen as head of the Commonwealth. But this role is symbolic.

The extraordinary thing is that despite all these ambiguities and despite the fact each member is independent, the Commonwealth does mean something to all of them. In those countries that recognize the queen as head of state there is a particular connection. When, for instance, the queen recently visited Jamaica, she said how happy she was to be at home.

I think that it is an awareness of this indefinable quality that has given rise in Britain to some of the concern aroused by the U.S. invasion of Grenada — a slight sense of pique, a faint feeling that others should understand the Commonwealth and the queen's role, however intangible.

Regrettably, the way this matter has been handled has played into the hands of those who are anti-American or anti-Reagan. Denis Healey, Labor's shadow foreign secretary, has ridiculed Mr. Reagan's "comic-strip interpretation" of foreign affairs in which all issues are seen purely in terms of the communist threat. The prime minister's and foreign secretary's expressions of doubt about the U.S. action have bolstered those campaigning here against the deployment of cruise missiles.

But at an astute meeting of the Conservative Party in the House of Commons, the chairman of the foreign affairs committee of the Commons, Sir Anthony Kershaw, reflecting a considerable and influential body of Tory opinion, asked the foreign secretary, "Why this giggling [over Grenada]?" He believed, as do many Conservatives and others in Britain, that the U.S. government had perfectly sound strategic reasons for forestalling the Cuban takeover of the island. Their only surprise was that Mr. Reagan did not adduce this as a reason for the invasion.

People in the United States ask how deep is the damage done to trans-Atlantic relations generally and to the U.S.-British partnership. It looks as though it may be more difficult to secure wholehearted condemnation of the Russians if they transgress international frontiers again.

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though if American forces withdraw quickly it should be possible to point to the obvious contrast between continued Soviet occupation of Afghanistan and the short, sharp action by the Americans in Grenada.

I do not believe that there has been anything remotely in the nature of a change of heart in the British government. If there has been pique, it will not last.

But equally I think that on both sides of the Atlantic we have learned something. I like to think that both London and Washington learned something from the disasters of Suez. Alexander Haig said to me during the Falklands crisis that we could rely on the Americans not to repeat the error of Suez when they pilloried Britain for its action.

What should emerge from these latest events is the creation of some system of automatic consultation between the two sides of the Atlantic. NATO deals with the North Atlantic area. Many of the thorniest problems that most directly affect our interests occur elsewhere. If some such process could be evolved, Grenada could have provided a positive stimulus to the course of international life.

The writer was British ambassador to Washington at the time of the Falklands war. He contributed this comment to The Washington Post.

The Real Impact of a Muscular Dollar

By Charles Wolf

SANTA MONICA, California — According to an argument prematurely accepted as valid in much of Western Europe and the United States, high U.S. interest rates and the overvalued dollar, which they ostensibly cause, are preventing economic recovery in Europe and threatening to abort it in America. The non-ambiguity with which certain commentators on both sides of the Atlantic have adopted this view suggests that it may be flawed. It is.

The argument involves several parts. First, it is said, high interest rates draw capital from Europe and elsewhere into the United States. Second, this attraction of capital to America depletes the supply of savings available for European investment. The resulting upward pressure on European interest rates suppresses nascent recovery there. Third, capital inflow to the United States boosts the dollar's exchange value above what is warranted by its purchasing power. The result is that U.S. exports are less competitive and imports acquire a competitive advantage in the American market. For both reasons, American unemployment stays high and may rise again, and recovery will be set back.

What are the flaws? One flaw lies in ascribing to high U.S. interest rates exclusive responsibility for the dollar's high exchange value. The second flaw lies in the failure to recognize that a strong dollar has multiple effects: some stimulate recovery abroad even while others may impede it at home.

In the foreign exchange market, exchange parities depend on the

relative demands for and supplies of currencies. That the dollar has appreciated between 16 and 40 percent in the past 18 months relative to the principal European currencies means that dollar demand by holders of foreign currencies has increased relative to dollar supply.

What accounts for this increased demand? First, dollar demand has risen because foreign asset holders want to buy American equities in the belief that stock prices will increase as the U.S. recovery generates higher sales and profits for American businesses.

Second, demand for dollars has risen because foreign asset holders want to buy property in the United States. Notwithstanding the appreciated dollar, real estate prices are still generally lower than in London, Paris or Tokyo.

Third, demand for dollars has increased because holders of foreign assets believe that control of inflation in the United States is likely to be more effective than abroad. Acquiring dollar assets provides protection against this financial risk.

Finally, dollar demand has strengthened because of the relative immunity from political risk enjoyed by dollar assets. Nationalization of businesses by a Socialist government in France, unsettling electoral gains in West Germany by the Green party, and the choice by the British Labor Party of a leader who is apparently anti-NATO, anti-defense and anti-American makes holders of assets in those

countries understandably anxious to obtain dollar assets.

So, the first flaw in the original argument amounts to a truism: The dollar's value has increased because it has become more valuable to those formerly holding non-dollar assets. The dollar is no more "overvalued" now because it exchanges for 8 French francs than it was 18 months ago at 5.75 francs.

The second flaw lies in neglecting the positive effects of a strong dollar, while emphasizing only its negative ones. From Western Europe's standpoint, the stronger dollar represents capital outflow, a reduction of funds for domestic investment and upward pressure on interest rates. Yet, the strong dollar improves the competitiveness of European exports, thereby boosting European employment, production and incentives to invest.

From a U.S. standpoint, the strong dollar impairs the competitive position of exporters as well as intensifying import competition in the American market. Yet the strong dollar also improves prospects for servicing the enormous international dollar debt of the export-dependent Third World debtors (Brazil, Mexico and Argentina), as well as other debtor countries. Since the international debt problem is itself a threat to economic recovery, the stimulus to dollar-earning exports provided by a strong dollar is a boon, rather than a bane, to the U.S. recovery.

The writer, director of the Rand Corp.'s research program in international economics, contributed this comment to The New York Times.

A Star Wars Defense: Just 99% Sure

By Daniel S. Greenberg

WASHINGTON — "Never say never" is the cheery leitmotif of many crackpot technological undertakings that have stumbled along to wondrously expensive failure — like the U.S. government's atomic-powered airplane project of the 1950s and the congressional decree for a cancer cure in time for America's 1976 bicentennial observation.

Now the "never" rule is being invoked in behalf of a \$100-billion celestial rathole that President Reagan has inspired in order to protect the United States from hostile missiles.

Can it be said with certainty, even with the support of the enthused aerospace technocrats who have advised the president, that it can be done? Any doubter is likely to be reminded of the early skeptics of aviation and rocketry, such as the experts who advised Franklin Roosevelt of the impossibility of building a nuclear weapon.

Nonetheless, there are several reasons for doubting the technological feasibility of Mr. Reagan's missile defense scheme, and there are at least as many reasons for doubting its strategic and political wisdom.

The systems under study — incorporating orbiting surveillance stations and space- and land-based lasers and particle-beam weapons — are vulnerable to decoys, saturation attacks, and electronic interference.

In the endless military race between countermeasures and counter-countermeasures, a superior electronics industry gives the United States a major advantage over the Soviet Union. But not so much so that American missile-defense planners feel confident of being able to build an impervious system.

As Aviation Week magazine, which has been calling for years for greater progress on missile defense, recently put the matter, "The key to effective defense is low leakage." This is a bloodcurdling euphemism that concedes the impossibility of perfect defense. And what if defense is very good, though not perfect? The answer is that imperfection spells calamity. Even if 99 percent of thousands of warheads are safely destroyed, 1 percent will reach their targets — perhaps Washington or New York.

The strategic and political dangers of a missile-defense race are equally plentiful. Would the development of new systems of defense add tension to the present nuclear standoff? That is the likely effect as strategists on each side contemplate the risk of the adversary developing a better system. No wonder, then, that congressional leaders in both parties have expressed serious misgivings about Mr. Reagan's "Star Wars" plan. Among them is Senator Charles Percy of Illinois, the chairman of the Foreign Relations Committee, who has urged an all-out effort to make an agreement with the Russians before the arms race takes off full blast for outer space. Kremlin leaders have, at least, expressed interest.

It is ironic that President Reagan's defensive plans were unveiled during a year in which the frailty of modern military defense was conspicuously demonstrated. Soviet submarines repeatedly defied the well-equipped Swedish Navy's best efforts to prevent them from intruding into home waters. The South Korean airliner soared around Soviet airspace for more than two hours before Soviet air defenses got a fix on it.

And the carnage at the Marine headquarters in Beirut was created by a truck that improbably ran through several barriers and crashed into the main lobby.

Can a Star Wars defense intercept a cunningly planned, high-technology assault? The answer, says even optimistic crude confidence, is "no." But they offer scarcely any grounds for others to share their confidence.

The writer is editor and publisher of "Science & Government Report," an independent newsletter.

LETTER

Caring for the Poor

Regarding "Cats Waken Civil Rights Enthusiasm in U.S., Report Says" (11/7, Oct. 12).

The report by the bipartisan Commission on Civil Rights clearly demonstrates the substantial difference between the rhetoric and actions of the Reagan administration.

The fact that federal outlays for civil rights enforcement have increased over the past three years is misleading. While the president takes credit for a "substantial increase in the priority accorded civil rights," assessments for inflation show 1983 enforcement spending power to be lower than the 1980 figure. This trend is backed up by the drastic reduction in enforcement employees (21 percent among full-time staff).

To compare enforcement spending with the inflation rate is indeed a fair barometer of an administration's commitment, especially in an area such as civil rights, where the immensity of the task at hand indicates that spending is critically linked to effectiveness.

The disparity between Mr. Reagan's public statements and his actions on civil rights is unfortunately typical of the present administration's consistent lack of sensitivity toward large segments of society.

STEPHEN M. BACHRACH

Twin.

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مكتبة بن الأصل

INSIGHTS

'Star Wars' Anti-Missile Systems: U.S. Scientists Tilt For and Against

By Charles Mohr

New York Times Service

WASHINGTON — A group of experts has urged President Ronald Reagan to order an increase in long-range research on exotic technologies to defend against a nuclear attack.

Government officials said the president was expected to follow the advice by a Pentagon-appointed panel of technologists and give priority to still-remote technology, rather than undertaking a crash program to deploy actual defensive weapons quickly. Some members of Congress have recommended a deployment program.

Many scientists outside government have expressed doubt that any combination of technologies would provide a workable defense against nuclear missiles. But the technologists' panel, called the Defensive Technologies Study Team, is more optimistic about the long-term prospects, officials said.

The recent recommendations to the president would substantially increase an already ambitious spending plan that was under consideration before Mr. Reagan called for study of a high-technology anti-missile system in his so-called "Star Wars" speech on March 23, the officials added.

Although some of the proposed systems might be based in space and use directed energy such as lasers or particle beams, officials said the study team did not confine itself to space-based methods in its report to the Defense Department and the White House.

Middle Course

In terms of military research and development, the study team's advice to the president takes a middle course. It rejects pressures from those who believe a defense can be built quickly from available technology. But it also rejects a larger body of strategic and scientific thinking that nuclear defense is not a wise goal and that only moderate research efforts should be continued to avoid a technological surprise by the Soviet Union.

Some prominent scientists outside administration policy-making circles said they were very skeptical of the technical feasibility of such systems and even more dubious about the strategic and political wisdom of seeking to build them.

Hans Bethe of Cornell University, a Nobel laureate who was director of theoretical physics for the Manhattan Project in World War II, said: "My opinion is that it is still totally science fiction."



Critics 'do not show that all that we are doing is useless, but only that we are not completely successful as yet and that further improvements are highly desirable.'

— Edward Teller

Mr. Reagan argues that such a system could render a "system of horrible weapons obsolete," a reference to offensive intercontinental missiles. His critics contend that it would only spur the Soviet Union to increase its stock of missiles and to undertake complex countermeasures.

"No matter how bad things are now, they can get worse," said Henry Kendall, a physicist at the Massachusetts Institute of Technology and chairman of the Union of Concerned Scientists.

On the other hand, the practicability and desirability of anti-missile systems have been strongly championed by such figures as Edward Teller, leader of the team that developed the hydrogen bomb, and Lowell Wood, a prominent scientist at the Lawrence Livermore National Laboratory.

"I am not telling you that we have complete plans," said Mr. Teller. "If we did, we would argue for deployment rather than more research."

The scientists on the Defensive Technologies Study Team did not recommend actual develop-

ment and deployment of the weapons, officials stressed, but a prolonged research effort with periodic demonstrations of technology feasibility. The team was headed by James C. Fletcher, former administrator of the National Aeronautics and Space Administration.

Robert S. Cooper, director of the Defense Department's Advanced Research Projects Agency, said the Fletcher panel had been charged with giving greater consideration to advanced technologies that could lead to workable weapons "by the late 1990s."

Several officials said many of the technologies were so "immature" that it was difficult to estimate what production might cost. Some said the Fletcher panel's recommendations might lead to an increase of \$500 million to \$1 billion in research spending for the 1985 fiscal year, which starts next Oct. 1. Expenditures of \$18 billion to \$27 billion over five years are being discussed.

According to Defense Department officials, nearly \$2 billion was put in the early bud-

get for this type of research for 1985 even before Mr. Reagan's March speech. Early planning for the next five-year military budget discussed expenditure of \$10 billion to \$20 billion on strategic defense.

Kurt Gottfried, a Cornell physicist and a member of the Union of Concerned Scientists, called the proposed expenditures "a prodigious amount of money."

Another potential controversy involves the probability of effectiveness of any defense against nuclear missiles. Mr. Reagan's speech put forth a vision of a highly effective screen that might almost eliminate civilian casualties. Many government experts and some members of the Fletcher panel think that, under the best circumstances, many civilians would be killed or injured.

Mr. Cooper of the Defense Department gave what is increasingly a standard administration response. "Even if only 50 percent of all incoming missiles were stopped," he said, "the Soviets could then have no confidence in the success of a first strike, and war would be more remote."

Mr. Teller argued that if the Russians were forced to increase expenditures greatly to ensure that their missiles got through, "we would have accomplished something."

Because the technologies and strategic doctrines under discussion are complex, so is the debate about their technical feasibility and military wisdom.

The Fletcher panel reportedly recommended research leading to a three-tier system that would be able to attack Soviet missiles first as rockets motors were lifting them through the atmosphere. This would be followed by interception in midcourse as the re-entry vehicles coasted above the atmosphere, and then by final defense as the re-entry vehicles plunged back into the atmosphere over the United States.

Because the missile boosters are much more vulnerable to damage from lasers or other technology than the heat-resistant and hardened warheads, interception in the boost phase is regarded as especially desirable.

Laser "battle stations" could be placed in relatively low orbit, and with foreseeable rocket technology this would be the most plausible course, experts say.

But the Earth's rotation would make it necessary to have more than 100 stations orbiting to keep a number of lasers over Soviet territory, according to Mr. Bethe. Moreover, critics argue, all defensive systems would need to be defended themselves against possible pre-emptive attacks, and this is harder to do in lower orbits.

'Pop-Up' Weapons

An alternative would be to place directed-energy stations so they would hover over Soviet territory in an orbit that would keep them 22,300 miles (35,900 kilometers) directly above points on the Earth.

To put heavy battle stations in such high orbits, however, would require very powerful rockets, Mr. Bethe said. Moreover, he said, releasing X-ray lasers at such altitudes would require the detonation of a nuclear device of "at least one megaton." Radiation from the nuclear explosive would cause material in a bundle of rods orbiting some distance away to emit a powerful beam of X-ray energy.

The Fletcher panel report placed great emphasis on X-ray lasers as perhaps the most promising future technology to block hostile missiles.

But critics argue that the enormous distance to the Soviet missiles would complicate the daunting problem of accurate pointing and tracking of laser beams.

A great deal of attention has been given to an alternative concept in which the anti-missile systems would be kept on the ground but prepared for immediate launching into space. In one such "pop-up" plan, the rockets would be kept ready for instant launching; in another, large mirrors for focusing laser beams would be sent into space, where they would gather and point energy from ground-based lasers.

The problems that must be overcome to make pop-up weapons effective are staggering, critics say. In a modern intercontinental missile like the American MX, booster rockets burn for only about three minutes. After early-warning sensor satellites flashed word that a Soviet launching had begun, the pop-up weapons or mirrors would have to be sent aloft almost instantaneously.

Soviet Countermeasures

According to Richard L. Garwin, a Defense Department consultant, the rockets would have to move at tremendous speed to lift the defensive devices to altitudes of 1,000 miles or more in less than three minutes so they could attack the Soviet boosters.

Mr. Gottfried said the aerodynamic and physical stresses would be difficult for the laser stations to withstand. Mr. Gottfried added that the whole system would require extremely sophisticated computers for control. "I doubt there could be any human intervention," he said. He and other scientists worry about an "automatic" initiation of war in space, leading to war on the ground.

Further, the skeptical scientists say there is an almost unlimited range of possible Soviet countermeasures. One would be to increase the number of submarines with nuclear missiles, deploy them closer to the United States and then fire them in low trajectories. This would greatly reduce the time available for interception.

Mr. Wood of the Livermore Laboratory said the "problem of short time lines of three minutes or less has been considered in great detail for years, and by the Fletcher panel, and satisfactory answers given." One example, he indicated, was the possibility of "forward basing" in a country such as Britain, permitting the pop-up weapons to attack rising Soviet missiles sooner.

Mr. Teller said the objections of critics, some of whom are his longtime foes in the policy arena, "do not show that all that we are doing is useless, but only that we are not completely successful as yet and that further improvements are highly desirable."

In U.S., Legal Blow After Legal Blow Thins Out Top Ranks of Crime Families

By Leslie Maitland Werner

New York Times Service

WASHINGTON — Justice Department officials say they have won many significant battles in the last two or three years in the war against organized crime. In all major cities where traditional organized crime exists, they say, most of the top leaders are either in prison or facing charges.

"It's the greatest achievement we've had in organized crime," said Floyd I. Clarke, deputy assistant director of the Federal Bureau of Investigation's Criminal Investigative Division. "In every city where there is a major organized crime family, we have indicted and/or convicted the top echelons of that family, and that's all within the past few years."

But Mr. Clarke, as well as outside experts who share his assessment, caution that organized crime is still a serious problem and that it continues to operate while leaders are in jail. To suppress it, they say, the recent gains will have to be sustained for a long period.

In New Orleans, Los Angeles and Cleveland, Mr. Clarke said, the entire leadership of crime families has been imprisoned for long terms. Sweeping cases have also been brought in New York, Boston, Cleveland, Chicago, Denver, Kansas City, Detroit, Philadelphia and Milwaukee, as well as in California, Florida and Louisiana.

These successes have not been an overnight creation, said David Margolis, chief of the Justice Department's Organized Crime and Racketeering Section, "but have gradually developed with innovations in law enforcement."

The innovations and legislation introduced by each administration since President John F. Kennedy's are only now starting to show major effects, Mr. Margolis and other officials say.

'Incredibly Significant'

The assessment that the war against organized crime, while far from over, is showing heightened results comes from career Justice Department employees, not political appointees, and is supported by experts outside the government.

"The cases that have been made recently are incredibly significant — it's incredible," said G. Robert Blakey, a professor at the Notre Dame Law School who was in the Justice Department in the Kennedy administration and served as chief counsel for the Senate subcommittee that processed important organized crime legislation in the late 1960s.

"It's too easy to predict the demise of the Mafia," he said, "but if this can be sustained for another decade, where the leadership structure is taken out and then their successors are taken, we can decimate this particular aspect of organized crime. I think this could be the beginning of the end for the Mafia. I'm very encouraged."

Mr. Blakey, Mr. Clarke and other officials in the FBI and in the Justice Department's Organized Crime and Racketeering Section attribute improvement to several factors, most dating back a decade.

Under Clarence M. Kelley in the mid-1970s, they said, the FBI shifted its effort toward "quality" cases with a new emphasis on a single prosecution for a series of crimes and on giving the federal government jurisdiction for state offenses, including murder. In September, for instance, the Justice Department named seven men as leaders of a racketeering enterprise in Boston whose activities included murder and gambling.

New Tools of the Trade

The experts point to more effective use of electronic surveillance, including wiretaps and hidden microphones, that is now aimed less at solving individual crimes and more at gathering evidence against leading criminals. Telephone

wiretaps helped obtain the first felony conviction of Joseph Bonanno Sr., the founder of a crime family in New York, who was found guilty in San Francisco in 1980 of conspiring to thwart a grand jury investigation.

Also, around 1974 the FBI began using undercover agents in long-term investigations. In New York, for example, an FBI agent posing as a gangster infiltrated the Bonanno family, resulting in the conviction last year of three "captains" on racketeering charges.

High-level informants also were developed,

Reagan this year for naming a Commission on Organized Crime. He said he hoped it would collect information on the extent and operation of these new groups, about which the authorities say they know very little.

The commission is headed by Judge Irving R. Kaufman of the 2d U.S. Circuit Court of Appeals, who presided at the trial of 20 Mafia figures who attended an organized crime convention in Apalachin, New York, in 1957.

According to Oliver E. Revell, the assistant director in charge of the bureau's Criminal In-

The assessment that the war against organized crime, while far from over, is showing heightened results comes from career Justice Department employees, not political appointees, and is supported by experts outside government.



Spanish beaches, like this one at Benidorm, have gone topless in the last few years — and sometimes bottomless.

Spain: The Spinster Lets Her Hair Down

By John Darnton

New York Times Service

MADRID — A bent, elderly woman dressed entirely in black, from her stockings to her head scarf, was moving slowly down the street where she came upon a piece of paper on the sidewalk. It was a page from a popular magazine, a photo of a naked couple in amorous embrace.

The woman looked around slowly, stooped to pick it up and stared at it. Then she marched to a wastebasket, ripped the picture about eight times and dropped it in.

In this brief encounter, the two Spains met. One, old-fashioned, churchgoing, morally upright. The other, modern, hedonistic and, so it seems, increasingly assertive.

Back in the Franco years, Spain was the Victorian spinster of Europe.

Now this has changed. Spain is not exactly a Babylon, but it has caught up with the rest of the Continent, and the changes in moral behavior and permissiveness seem doubly striking because they have occurred so fast.

"When I was my daughter's age, my father wouldn't let me go out of the house without a chaperon," said Teresa González, a Madrid hairdresser. "Even so, I had to be in by 11 o'clock. My daughter goes out to some place — The Joy Escalva — and I'm lucky if she comes back by dawn."

Suddenly Famous

The Joy Escalva is a discotheque, one of dozens with elaborate lighting displays and high-tech sound systems that have made Madrid's nightlife suddenly famous among young Europeans. After all, where else these days are the streets crowded at 2 A.M.?

"In Paris, the cops are all over you," said a young Englishwoman, her hair dyed blue and red, puffing on a marijuana joint at a recent concert of Police, the rock group. "London's too

expensive and you never see the sun. Rome, well, it's O.K., but a lot of crime. Spain's the place to be."

In the old days, the power of the Roman Catholic Church and the state's anti-communist crusade drew the limits. Crime was low but widely defined. It was illegal for a boy and girl to be seen kissing in public. Spanish jails were filled with would-be drug smugglers trying to bring hashish from Morocco to the lucrative market of northern Europe.

Movies were so heavily censored for sex and politics that the plot sometimes ended up on the cutting-room floor. A famous example was the film "Mogambo." Wanting to avoid any suggestion of adultery between Clark Gable and Ava Gardner, the censor transformed them into brother and sister, thereby arousing Spanish audiences with the spicy theme of incest.

Now hard-core pornography plays in movie houses and soft-core sells at newsstands. Prostitutes are commonplace and visible and one member of parliament suggested setting up an official red light district to control the trade.

A Certain Decadence

Transvestites are featured attractions in the floor shows of expensive nightclubs, leading a certain prewar Berlin atmosphere of decadence to the place, and they also tend to congregate on a particular corner of the central Castellana Boulevard past midnight. If a car stops, one is liable to get in.

In contrast to the rigorous dress codes enforced decades ago, Spanish beaches are now topless and some are bottomless as well, which often shocks American bathers. Exceptions still exist in conservative areas such as Galicia in the northwest.

Some of the changes have been ushered in by the Socialist government of Prime Minister Felipe González, voted into office a year ago. Convinced that Spain's moral code was anachronistic in imposing heavy penalties for crimes not recognized as crimes elsewhere, the govern-

ment has passed legislation to liberalize the penal code.

The liberalization began with an earlier regime, which legalized divorce. But the Socialists speeded up the process considerably. Among other things, the parliament has enacted bills to legalize sex changes, permit sterilization and, most significantly, to legalize abortion in therapeutic cases.

Most striking of all was a bill approved last April that legalized the possession of drugs, even hard drugs, including heroin, as long as they were held in small quantities and for personal consumption. In effect, Spain went in a single stroke from having one of the harshest drug laws in Europe to one of the most liberal.

Shift in Drug Traffic

Penalties remain for people trafficking in drugs — up to six months for soft drugs and from six years to 12 years for hard drugs. But some international drug experts believe these will not prove a sufficient deterrent to major dealers. They predict a shift in the pattern of European drug traffic with Spain replacing the Netherlands as a prime distribution center.

In addition, changes in the criminal justice laws aimed at reducing extremely long delays for people awaiting trial have led to the release of thousands of prisoners. This has combined with a widespread perception that crime is on the rise to make safety in the streets something of a potential issue for the rightist opposition.

The issue dovetails with that of morality, since the right views this as its special preserve and believes that the moral fiber of the country is disintegrating. The Socialists answer that they are not sponsoring a change in the moral standards of the country but simply recognizing that one has already occurred.

"I myself am not in favor of abortion," said a cabinet minister, speaking privately. "But in the 20th century, people are going to go out and get abortions, and it's absurd to send them to jail for doing so."

مكذبات الرصاص

ARTS / LEISURE

Swiss Lead Homage to Conductor Ernest Ansermet

By Andrew Clark

International Herald Tribune

GENEVA — While the rest of Europe has been paying anniversary homage this year to Wagner and Brahms, French-speaking Switzerland has been remembering the conductor Ernest Ansermet, born 100 years ago in the town of Vevey on Lake Geneva.

A special exhibition and a series of commemorative performances have been organized in Switzerland, culminating in a concert of Brahms's "A German Requiem" in Geneva's Victoria Hall on the anniversary of his birth, Nov. 11, and a new production of Debussy's "Pelléas et Mélisande" at the Grand Théâtre the following day. For those who know of Ansermet only through the recordings he made in the 20 years before his death in 1969, the effect has been to show the richness of his contribution not just to Swiss musical life, but to European culture in general.

Ansermet — who started his career teaching mathematics at Lausanne University — achieved his first international platform in music with Diaghilev's Ballets Russes. Between 1915 and 1923, Ansermet conducted no less than 12 first performances, including Satie's "Pardes," de Falla's "The Three-Cornered Hat" and a host of works by Stravinsky such as "Le Chant du Rossignol," "L'Histoire du Soldat" and "Les Noces."

The exhibition, organized by the Geneva-based Ernest Ansermet Association, is to tour northern Europe and the Americas in the coming months.

His musical background was already broad when he joined the Ballets Russes — his travels and studies in Germany, including a stay in Berlin in 1905, made a deep impression — but his work with Diaghilev brought him into intimate contact with one of the most creative and influential artistic ventures of this century. Ansermet's milieu included nearly every artist of significance who was associated with the Paris of the 1920s. His experiences at this stage of his career were largely responsible for the importance he later attached to the cross-fertilization of the arts.

The exhibition also gives ample evidence of the catholic and didactic nature of his concert programs, an unpredictable, provocative world where Stravinsky is juxtaposed with Beethoven, Schumann with Debussy, The Russian and French schools, for which he was best known, tended to predominate on foreign tours.

A less publicized aspect of his career was the support he gave to the struggling artist. It was Ansermet who, when there was no internationally recognized Swiss musical tradition, brought the music of the Swiss composer Frank Martin to the public, and championed the music of Arthur Honegger.

Some of these themes have been taken up in the anniversary performances. The Lucerne Festival, which Ansermet helped to found in 1938, illustrated the Ballets Russes connection with concert performances of Stravinsky. The Swiss Festival Orchestra, which Ansermet started as a means of giving

Swiss musicians summer work, celebrated its 40th anniversary at Lucerne with a concert that included Martin's broadly-scored but concise "Ouverture en Rondeau."

Concerts at the Lausanne Festival, recalling Ansermet's skill as an interpreter of French music, featured his tasteful orchestration of Debussy's piano compositions "The Children's Corner" and "Six Epigraphes Antiques," and Ravel's one-act opera "L'Enfant et les Sortilèges."

But the principal homage has been in Geneva, where the two major events on Friday and Saturday bring to a head a series of commemorations organized by the Or-

chestre de la Suisse Romande and the Geneva Conservatoire. Ansermet founded the orchestra in 1918 and conducted it until a few weeks before his death more than 50 years later. It is not surprising, therefore, that the dozen or so survivors in the orchestra from Ansermet's time should see today's jet-setting, orchestra-hopping conductors as being of a very different hue. Ansermet was a conductor of the old school, who knew his orchestra and ran it the way he wanted — more of a "grand monsieur" than a benevolent dictator, according to Paul Rudhardt, a violinist who joined the orchestra in 1952.

Ansermet's approach to his mu-

sicians was paternal, almost schoolmasterly, and his bad temper was known to last the length of rehearsals. But as soon as the hard work was done, he would be full of charm and camaraderie. He was a sociable man, giving a reception for the musicians each Christmas and always pushing for higher salaries, but he also knew how to keep his distance. He never seemed tired or ill, but was extremely nervous before a concert. He knew Stravinsky's ballet scores as well as any conductor, but often expressed doubt about how he would cope with the 12-note technique on the ground that it denied the essential

quality of music as something of the heart, yet his early training as a mathematician had a bearing on how he analyzed a score. He hardly ever conducted Mahler or Bruckner, Sibelius, Shostakovich or Rachmaninoff, and showed a growing fascination in later years for Beethoven.

Rudhardt describes Ansermet's approach to the orchestra as that of a sculptor, "adjusting this and that, moderate in movement, always insisting on the colors of the orchestra. When engaging new people, he had in his ear a particular sort of sonority. It was this that gave the orchestra its identity. Since his death, there have been three different music directors, and the orchestra has come to sound much like any other."

He also had a remarkable sense of rhythm, phrasing and tempo, very different from French conductors, who tend to be quick, brilliant and clear. He was the opposite of a showman, requiring the minimum of gesture to make his intention clear. But during rehearsal he would speak quite a lot: it was all practical stuff, and he had a knack of approaching each work as new, even if we already knew it.

"It was his consciousness of the duty of the artist to society — probably a product of his Protestant upbringing — that gave his work in Geneva the character of a mission to be accomplished. He made Geneva into a musical city. Even today, his influence stands at every corner of its musical life."



Ernest Ansermet

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HYATT HOTELS

Rembrandt Etchings Found

The Associated Press

NEW YORK — Five stolen etchings found last week in a locker in Grand Central Terminal here have been authenticated as Rembrandts, the FBI says. The prints, valued at \$500,000, were taken from the National Gallery of Canada in Ottawa and the Byrd Library of Syracuse University.



Michael Williams, Judi Dench in "Pack of Lies."

'Pack of Lies' Explores The Morality of Spying

By Sheridan Morley

International Herald Tribune

LONDON — Though the posters will nowhere tell you this, Hugh Whitmore's "Pack of Lies" (at the Lyric) is based on an old television play of his about the people who lived across the road from the Krogers at Ruislip in 1960. The Krogers, you may recall, were the ones who had a radio receiver in their basement and sent NATO submarine secrets to Moscow for

THE LONDON STAGE

the spy Gordon Lonsdale, but Whitmore's interest has always been in their neighbors and friends, the family whose lives were disrupted forever when M15 arrived and asked to put telescopes in their bedroom windows.

The play is about the morality of spying on your best friends across the road simply because they too happen to be spies, and it is wonderfully played by Judi Dench and Michael Williams as the neighbors, Barbara Leigh-Hunt and Larry Hookeoff as the Krogers and, above all, Richard Vernon as the man from M15 who sets the whole neighborly betrayal up with a weary kind of elegance.

Whitmore, while sticking very close to documentary truth, gives each of his leading characters explanatory out-front monologues, which hints at the need for a little padding to get a tele-play up to stage proportions. All the same, it remains one hell of a good story.

Charles Dyer writes like a dream: the trouble is that the dream he writes like doesn't often have a lot to do with the construction of actual drama. The author of "Staircase" and "Rattle of a Simple Man" writes in his own kind of language, a language of rambling monologues for people in extreme loneliness but still managing to "sneak for glory, solve little mysteries, compose a snatch of music and hear it on a distant crackle from Samarkand."

Dyer writes about people who carry on when they aren't needed, and though I fear that his latest play, "Lovers Dancing," may not be long with us at the Albery, it cannot be dismissed quite as rapidly or gleefully as some of my critical colleagues would have you believe.

In the first place, both "Staircase" and "Rattle" have been among the most commercially successful and oft-revived of postwar plays, so we are not dealing here with some loony poet making an occasional excursion into the drama. Secondly, four actors of the caliber and tele-fame of Paul Eddington, Colin Blakely, Georgina Hale and Jane Carr (who make up the entire cast) are not about to commit themselves to an utterly unworkable play, and "Lovers Dancing" must, at least on paper, have seemed to have a good deal going for it.

In that we now have a quartet, where in "Rattle" and "Staircase" we only had couples, "Lovers Dancing" does represent a kind of two-step forward. It too is about sexual disaster and people trapped side their own impossible expectations, but it also belongs to the Grion tradition of drama. For 19, two dancing couples have been meeting on the anniversary of a 'ul bed night when, following room championship in which BOouple (Blakely and Hale) won test the other (Eddington and Carr) lost due to a sudden and heretofore loss of suspenders, a child velo conceived. Precisely which of them actually conceived it has remained something of a mystery, and there are indeed moments when (as in Albee's "Virginia Woolf") you begin to doubt that any of them did.

But this is a play about a lot more than doubtful parentage. It's about success and failure in the router reaches of bad-taste living. It's Roseland revived, a chunk of omelette invisible ongoing soap opera not retired ballroom-dancing folk with one of those plots that seems to have started long before you got to the theater. A rambling, discursive, poetic orgy of anecdotes and non sequiturs, it is superbly played by four actors who seem to realize

Jellyfish Plague Mediterranean Sands

By Artemis Pittas

The Associated Press

ATHENS — Jellyfish are in bloom all over the Mediterranean and the experts don't know how to protect swimmers and fishermen from their painful, sometimes deadly stings.

Scientists and engineers from the United States and 16 European nations, after a weeklong conference on the jellyfish menace sponsored by the United Nations Environment Program, admitted they were baffled.

Five years ago, two species of jellyfish suddenly started to multiply around the warm Mediterranean coastland waters where about 200 million tourists spend vacations every year.

Jellyfish "blooms" are formed by thousands of densely packed jellyfish each able to bud off into more than a hundred young jellies.

"We just haven't been able to work out why it happened but my gut feeling is that industrial and human pollution is the answer," Dr. Theoharis Theoharides, assistant professor of pharmacology at Tufts University in Massachusetts said in an interview.

"After all jellyfish have to eat and it's possible they adapt to their environment and use sewage as food," Dr. Maurice Aubert, director of the Oceanographic Research Center in Nice, believes jellyfish are thriving because a natural predator is dying off.

"Sea turtles in the Mediterranean are swallowing plastic bags in mistake for jellyfish and getting choked to death," he said at the conference.

Getting stung by a small purplish jellyfish with long stinging tentacles or a transparent variety with short, stubby tentacles, the commonest of the 20 or more Mediterranean species, has now become a serious hazard for swimmers and fishermen.

"It's painful and can be disfiguring. The more you get stung, the more sensitive you become and people who are hypersensitive have been known to faint and drown," Theoharides said.

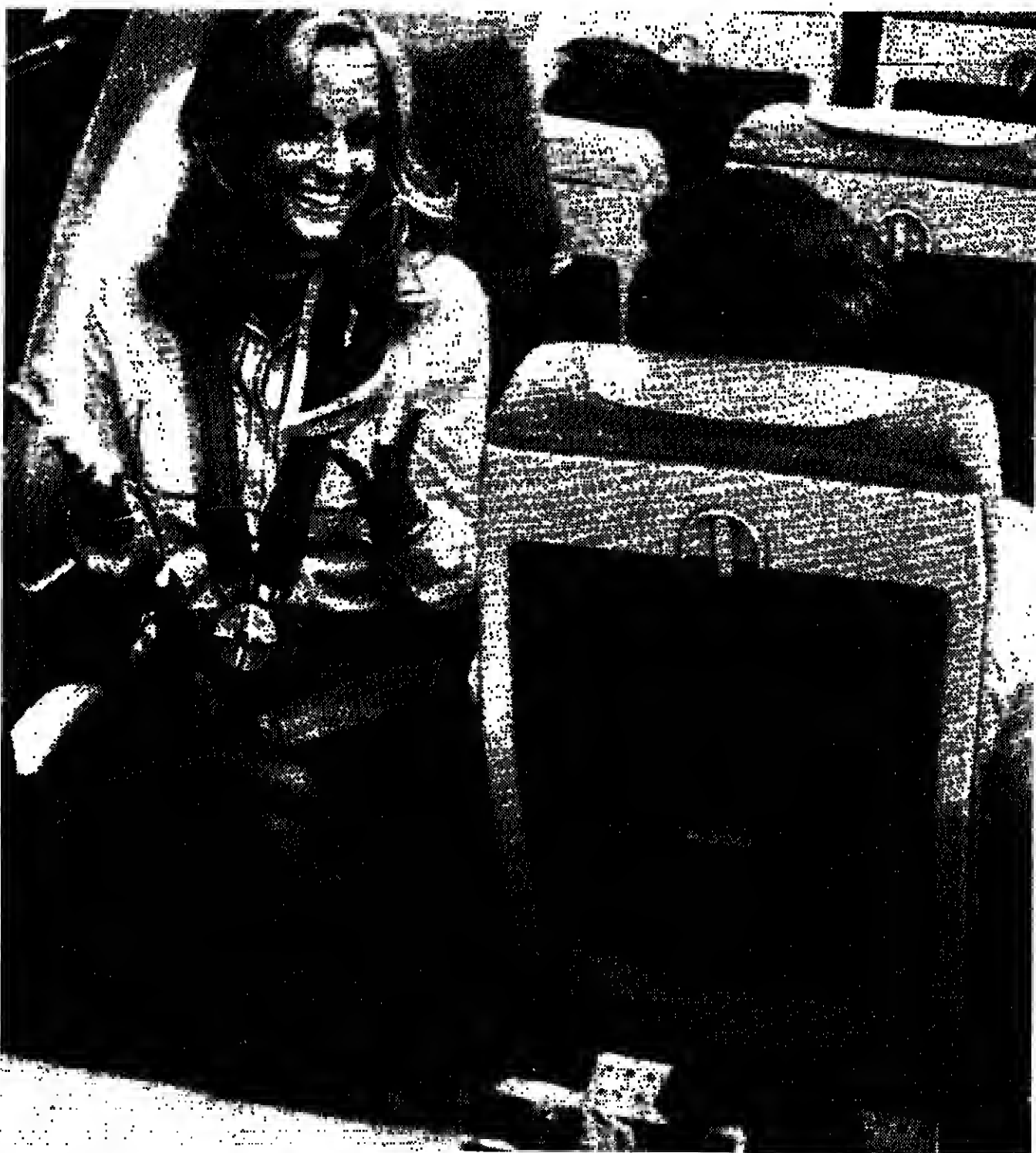
There is no known cure for a sting from a jellyfish tentacle. Mediterranean fishermen stung frequently by jellyfish caught in their nets carry cans of warm water to soothe the pain. Doctors advise swimmers to use a weak ammonia solution, or to rub sand or sea water on their skin.

None of the 62 experts attending the conference in the Greek capital last week came up with an immediate solution for the Mediterranean jellyfish problem, but Theoharides said there were some "promising ideas. We're trying to find a way of counteracting the toxin in a jellyfish sting so you could go to the beach with a sting-barrier sun-tan cream and just play with them."

A Belgian engineer, Dr. Vermer, has proposed a semi-mechanical barrier of air bubbles for popular beaches that would keep the jellyfish well offshore. He said at the conference that sheltered bays around the Mediterranean could be spanned by hose pipes on the seabed that would force out a strong current of air bubbles to push the jellyfish blooms out to sea.

"The human factor is very important to me."

This is an authentic passenger statement.



European Airlines Rapped

United Press International

LONDON — The quality of many European airlines has plunged to the depths with insipid, rubbishy food and passenger-hating clerks, a consumer's travel guide reported Monday.

The inspection team for the annual Egon Ronay's Lucas Guide to Hotels, Restaurants and Inns rated 18 European airlines on comfort, food and service, but the results were less than encouraging.

Food on most European airlines is "insipid, dull, unimaginative and often rubbishy," said the guide's inspectors, who took at least two flights on each of the 18 airlines.

"Beyond this ignorance or thoughtlessness there is a lot of sheer bad catering," they concluded, citing "insipid salmon, soapy cheddar and thick, smister, stewed coffee on Aer Lingus (Ireland); greasy, cold pork on TAP (Portugal); finger-breaking rolls on Iberia (Spain); sloppy vegetables on Swissair; warm tomato juice and sickly pink syrup on British Airways; a surfeit of gristle and fat in the meat on British Midland; stale, dry bread on Alitalia."

The inspectors showed no respect for service rendered before the flight. "The miserably smileless and sometimes passenger-hating check-in clerks are among the worst aspects of air travel in Europe," they said.

Once in the air, the trip gets no better. The team said, "Comfort is deteriorating, seating arrangements are getting miserably cramped and legroom is increasingly less."

The guide, which also rates European hotels and restaurants, said more hotel managers are "jumping on the up-market bandwagon to luxury," gearing express service to businessmen and women.



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AN IMPORTANT MESSAGE TO ALL SHAREHOLDERS OF GULF OIL

The Board of Directors of Gulf Oil Corporation has suddenly called a special meeting of shareholders to be held December 2, 1983. They are proposing to reorganize Gulf as a holding company, moving the state of incorporation from Pennsylvania to Delaware.

While this may seem like a harmless legal technicality, in fact this move would eliminate important shareholder rights.

WHAT'S THE RUSH?

For sixty-one years, Gulf has been a Pennsylvania corporation. Now, suddenly, the Board proposes to establish a Delaware holding company in order to "have greater flexibility in such areas as financing and in formulating [Gulf's] acquisition strategies." The Board of Gulf admits in its proxy material that it has no current plans to utilize this so-called "greater flexibility." Yet it has called a special shareholders meeting rather than waiting for the annual meeting, which is only a few months away.

UNDER THE BOARD'S PROPOSAL, WE BELIEVE YOU LOSE

You lose • Gulf shareholders will lose the ability to require Gulf to submit proposed charter amendments to a shareholder vote. Currently, holders of 10% of the shares can require the submission of such shareholder proposals to a vote.

You lose • Gulf shareholders will lose the ability to call a special shareholders meeting. Currently, the holders of 20% of the shares can call a special meeting.

You lose • Gulf shareholders will lose their right of cumulative voting in the election of Gulf directors. Cumulative voting affords a substantial shareholder the power to elect a board member who would then be able to communicate with Gulf management and other directors at the Board of Directors level. Such board representation would help assure a full review of strategies which might not otherwise be considered.

You lose • If you are a Canadian shareholder of Gulf, you will be forced to treat the reincorporation as a **taxable event** for Canadian tax purposes—just as if you had sold your shares.

REINCORPORATION: WHO BENEFITS?

In our opinion it is the responsibility of the management of a public company to increase shareholder values. **Ask yourself whether the reincorporation proposal, with its elimination of shareholder rights, will further that objective.** Ask yourself whether the elimination of cumulative voting (the elimination of which the Securities and Exchange Commission Division of Corporation Finance has identified as an "anti-takeover measure") will be in your financial interest. **The Reincorporation Proposal may be good for Gulf management. But is it good for you?**

Members of the Gulf Investors Group have invested nearly \$800 million in Gulf stock and own 17.9 million Gulf shares, representing 10.8% of the total outstanding. Our substantial financial commitment creates a common bond with all Gulf shareholders who seek to enhance the value of their investments in Gulf.

We believe the reincorporation proposal is a defensive reaction to the emergence of an independent shareholder group. Gulf's defensive posture was summed up by one of Gulf's "Wall Street strategists" as follows: "Let's just say for the moment that we're strapping on our six shooters." (October 20, 1983, *The Wall Street Journal*)*

If you agree with us that the purchase of a major investment in Gulf stock does not justify the hostile reaction of a hastily called special shareholder meeting that will eliminate important shareholder rights, then you must act swiftly to protect your investment.

Thank you.

On behalf of the Gulf Investors Group

T. Boone Pickens, Jr.
 T. Boone Pickens, Jr.

- ➡ Sign, date and return the **BLUE** proxy card. Vote **AGAINST** the reincorporation proposal.
- ➡ Even if you have already returned a previous management proxy, your later dated **BLUE** proxy will be the only one that counts.
- ➡ If your shares are held at a bank or brokerage firm, and you are concerned that your vote may not reach the Gulf Investors Group in time, please call our proxy solicitor:

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 or
 212-619-1100 (collect)

The members of the Gulf Investors Group and their holdings in Gulf are: Mesa Petroleum Co. through its subsidiary Mesa Offshore Co., 11,933,527 shares; Wagner & Brown, 1,621,398 shares; Harbert International, Inc., 1,621,398 shares; Sunshine Mining Company, 1,134,976 shares; First City Properties Inc., 405,350 shares; Far West Financial Services Corp., 405,350 shares; First City Trust Company, 405,350 shares; and First City Financial Corporation Ltd., 405,351 shares.

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BUSINESS

Is to Succeed
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John Names Hurlbu

Appointments

CURRENCY

Market exchange rates for Nov. 9, 1983

Country	Unit	Rate	Country	Unit	Rate
Canada	100 Cdn.	100.00	France	100 Ffr.	166.63
Germany	100 M.	1.9363	Italy	100 L.	2036.26
Japan	100 Y.	163.26	Spain	100 Ptas.	166.63
Switzerland	100 Sfr.	1.4835	U.K.	100 £	1.0000
Sweden	100 Kron.	10.4656	West Germany	100 M.	1.9363
Norway	100 Kr.	13.4803	Belgium	100 Bfr.	36.3636
Denmark	100 Dkr.	6.4656	Netherlands	100 Gld.	2.2037
Australia	100 A\$	1.4948	Austria	100 S.	13.7603
New Zealand	100 N\$	0.6923	Portugal	100 Esc.	200.482
South Africa	100 R.	1.4948	Greece	100 Dr.	340.750
India	100 Ru.	47.5561	Turkey	100 Liras	16.6667
Pakistan	100 Ru.	10.4656	Iran	100 Rials	166.63
Bangladesh	100 Taka	10.4656	Saudi Arabia	100 Rials	166.63
Sri Lanka	100 Ru.	10.4656	Israel	100 NIS	1.0000
Malaysia	100 M.	1.4948	South Korea	100 Wons	166.63
Thailand	100 Baht	10.4656	Hong Kong	100 H.K.	1.0000
Singapore	100 S.	1.4948	Taiwan	100 N.T.	1.0000
Philippines	100 P.	10.4656	China	100 Y.	1.0000
Indonesia	100 Rp.	10.4656	Japan	100 Y.	1.0000
Maldives	100 Ruf.	10.4656	South Korea	100 Wons	166.63
Brunei	100 D.	1.4948	Hong Kong	100 H.K.	1.0000
Sri Lanka	100 Ru.	10.4656	Taiwan	100 N.T.	1.0000
Malaysia	100 M.	1.4948	China	100 Y.	1.0000
Thailand	100 Baht	10.4656	Japan	100 Y.	1.0000
Singapore	100 S.	1.4948	South Korea	100 Wons	166.63
Philippines	100 P.	10.4656	Hong Kong	100 H.K.	1.0000
Indonesia	100 Rp.	10.4656	Taiwan	100 N.T.	1.0000
Maldives	100 Ruf.	10.4656	China	100 Y.	1.0000
Brunei	100 D.	1.4948	Japan	100 Y.	1.0000

INTEREST

Money Rates

Country	Rate	Country	Rate
U.S.	5.25%	U.K.	10.00%
Canada	10.00%	France	10.00%
Germany	10.00%	Italy	10.00%
Japan	10.00%	Spain	10.00%
Switzerland	10.00%	U.K.	10.00%
Sweden	10.00%	West Germany	10.00%
Norway	10.00%	Belgium	10.00%
Denmark	10.00%	Netherlands	10.00%
Australia	10.00%	Austria	10.00%
New Zealand	10.00%	Portugal	10.00%
South Africa	10.00%	Greece	10.00%
India	10.00%	Turkey	10.00%
Pakistan	10.00%	Iran	10.00%
Bangladesh	10.00%	Saudi Arabia	10.00%
Sri Lanka	10.00%	Israel	10.00%
Malaysia	10.00%	South Korea	10.00%
Thailand	10.00%	Hong Kong	10.00%
Singapore	10.00%	Taiwan	10.00%
Philippines	10.00%	China	10.00%
Indonesia	10.00%	Japan	10.00%
Maldives	10.00%	South Korea	10.00%
Brunei	10.00%	Hong Kong	10.00%
Sri Lanka	10.00%	Taiwan	10.00%
Malaysia	10.00%	China	10.00%
Thailand	10.00%	Japan	10.00%
Singapore	10.00%	South Korea	10.00%
Philippines	10.00%	Hong Kong	10.00%
Indonesia	10.00%	Taiwan	10.00%
Maldives	10.00%	China	10.00%
Brunei	10.00%	Japan	10.00%

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Herald Tribune BUSINESS/FINANCE

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WEDNESDAY, NOVEMBER 9, 1983

BUSINESS PEOPLE

Goette Is to Succeed Lennings at GHG After Discard on Troubled MAN Unit

Manfred Lennings resigned Tuesday from his position of managing director of Gutehoffnungshütte Aktiengesellschaft, or GHG, Europe's largest machine-building group, capping a bitter boardroom dispute. He is expected to announce his departure from a parallel post as supervisory board chairman at Maschinenfabrik Augsburg-Nürnberg, or MAN, GHG's biggest unit, Friday.

Mr. Lennings, 49, will be succeeded at GHG by Klaus Goette, 51. Mr. Goette is a member of MAN's supervisory board and an adviser of Allianz Versicherungs, the West German insurance company that is a major shareholder in GHG. Mr. Lennings' departure from GHG came as no surprise. He had been embroiled in a disagreement over how to turn around the group's troubled MAN unit, and threatened to step down from both positions — at MAN and GHG — if forced to step aside at MAN. MAN had a loss of 300 million Deutsche marks (\$113.6 million) last year, on sales of 8.3 billion DM.

GHG said Tuesday that Mr. Lennings resigned over differences of opinion concerning personnel and organization. Mr. Lennings, reached at his home Tuesday night, had no comment.

The supervisory board chairman of GHG, Klaus Heide, and the deputy chairman, Georg Benz, also resigned from their posts, but will remain supervisory board members. They will be replaced by Matthias Seefelder, former management board chairman of BASF, and Gerd Eising, a secretary of the engineering and steel workers' union, IG Metall, respectively.

Mellon Names Hurlbutt to Higher Post

Mellon Bank is transferring the management responsibilities for its operations in Europe, the Middle East and Africa from its headquarters in Pittsburgh to London. "The move is designed to enhance the bank's ability to meet its customers' needs by bringing senior management closer to the markets Mellon serves," the bank said.

"For many years," Ralph R. Hurlbutt, a senior vice president, said, "we've managed (the Europe, Middle East and Africa region) from Pittsburgh, but we've reached the level of market penetration where this arrangement has become 'inefficient and not terribly effective.' Mr. Hurlbutt has been named head of Mellon's Europe, African and Middle East operations, which he said last year accounted for about 10 to 15 percent of Mellon's worldwide profits.

In the future, Mellon will be "focusing our energy a little more systematically," Mr. Hurlbutt said. He added that the bank will make careful surveys of each market and make changes accordingly. Mellon has branches in London and Frankfurt and representative offices in Athens and Milan. In addition, it has an investment management company in Zurich and a joint venture in London. Mr. Hurlbutt said the bank is looking into opening representative offices in Madrid and Paris.

For the past two and a half years, Mr. Hurlbutt has been manager of the London branch. He has also held assignments with Mellon in Pittsburgh, New York, Tokyo and Manila.

John H. Male has been appointed general manager of the London branch, succeeding Mr. Hurlbutt.

Other Appointments

Patrick Sheehy, chairman of BAT Industries, which last week bid \$796 million (\$1.18 billion) for Eagle Star, the insurance concern, is to join the board of British Petroleum, effective Feb. 1. BP also said Lord Innes, who is retiring from the board of BP, after more than 18 years as a director, Lord Innes, recently retired from the chairmanship of P&O, the shipping company.

Raymond J. Dinkler has been appointed vice president of Continental Europe for Scott Paper International. Mr. Dinkler, who is based in London, will have responsibility for Scott's operations in Belgium, France, Italy and Spain. He also is a director of Bowater-Scott Corp., Scott's affiliate in Britain.

Jacques Clegnet has left his position as head of Eurobond sales at Credit Commercial de France to set up his own investment advisory company. Jean-Louis Bernadine has succeeded him at the Paris-based bank.

Bankers Trust Co., the New York-based bank, has appointed Jan R. Brunen, senior vice president and head of the international department's Europe group, as senior commercial banking officer for Europe. Mr. Brunen has been transferred from New York to London. In addition, Brian R. Cook has been appointed general manager of Bankers Trust's London branch following the return of Ann B. Davis 34 to New York, where he heads the international department's staff group. Mr. Cook retains responsibility for the bank's European network management.

— BRUNDA HAGEY

U.S. Ruling May Peril Steel Pact

By Stuart Auerbach
Washington Post Service

WASHINGTON — The International Trade Commission has issued a preliminary ruling in an unfair-trade-practices case that could jeopardize the year-old agreement that limits European steel exports to the United States.

By a 4-0 vote, the ITC ruled Monday that there were "reasonable indications" that imports of carbon-steel plate from makers in Belgium and West Germany have harmed a small Portland, Oregon, steel maker.

The complaint filed by Gilmore Steel Corp., which was not one of the 15 U.S. steel companies that took part in the agreement setting import quotas on European steel, accused the West German and Belgian companies of dumping steel in the U.S. Northwest at prices below its production costs.

The European Community, which called the complaint "unfounded," has asked for consultations with U.S. trade officials over the future of the steel-quota agreement in light of the complaint.

It is unlikely, however, that the community will move to cancel the agreement immediately, although European officials have said privately that the Reagan administration should have refused to accept the Gilmore case in light of the steel-quota arrangement.

"It is hard to imagine that injury has been caused by imports from the EEC," said Ella Krucifix, a community representative.

Moreover, an EC official said, the complaint will have an immediate economic impact on the European steel industry as U.S. buyers hesitate to place future orders because of the possibility of the prices being increased by customs duties.

Commerce Undersecretary Lionel Oliver told an ITC hearing last month that his department accepted the case because it met all the requirements of the law.

Mr. Oliver told the ITC hearing that EC steel exports to the United States have dropped during the past year. In the first eight months of 1983, they were down 37.6 percent from levels of the like period last year and the EC's total share of the U.S. steel market decreased from 6.31 percent to 4.64 percent, he said.

He said the agreement with the EC was reached after "complicated, painstaking negotiations" that included consultations with companies that accounted for 77 percent of U.S. steel production. These companies agreed to drop their complaints of unfair trade practices against EC steelmakers and promised not to file any new ones until the agreement expires in December 1985.

The Gilmore complaint still has a long way to go before it becomes final, however, the Commerce Department's International Trade Administration has until January to decide whether the European companies are dumping their products and, if they are, to make a preliminary finding of the difference between their price and a fair market value.

The ITC would then make its final decision on whether the company has been injured by the imports. That would be followed by a final Commerce Department ruling on the "dumping margin" — the difference between fair market value and the selling price.



William E. Brock, right, the U.S. trade representative, met Nov. 1 with Hisashi Shinto, president of Nippon Telephone & Telegraph Co., to discuss a new purchasing agreement.

Japan's NTT Buying More Abroad But U.S. Wants Door Open Wider

By Steve Lohr
New York Times Service

TOKYO — Slowly and reluctantly, Japan's telephone monopoly is opening up to sales of foreign equipment.

William E. Brock, the U.S. trade representative, last February told Hisashi Shinto, president of Nippon Telephone & Telegraph Co., that a three-year agreement meant to increase such sales had been of "little value" since it went into effect in 1981, according to U.S. officials.

Mr. Brock reportedly warned that if the government-owned corporation fails to start purchasing more U.S. equipment he would recommend against renewal of the agreement when it expires at the end of this year.

Termination of the agreement would almost certainly close the lucrative U.S. telecommunications market to Japanese manufacturers.

Things, however, went much more smoothly on Nov. 1 when Mr. Brock again visited NTT headquarters in Tokyo. He called the meeting "the most constructive session I've had with Mr. Shinto and his staff."

He said the NTT officials expressed a "very definite" willingness to alter the current agreement in four areas of special concern to U.S. companies: leasing, specifications, proprietary data and joint research.

U.S. and Japanese regulators are scheduled to meet this week in Washington for more detailed talks.

One Reagan administration official remarked, "After two years of bureaucratic inertia that held up implementation of the agreement, we are finally seeing some progress."

Last month NTT announced plans to buy several U.S. products, including a large system for handling communications traffic from American Telephone & Telegraph Co. and a computer from Cray Research Inc.

The purchases are expected to increase NTT's procurement of U.S. goods to \$140 million in the fiscal year ending next March 31.

By comparison, Japanese companies sold products worth from \$600 million to \$900 million in the United States last year. The total varies depending on the year.

(Continued on Page 11, Col. 4)

Allianz May Lift Its Eagle Star Bid

But West German Insurer Says That It Needs More Data First

By Bob Hagerty
International Herald Tribune

LONDON — Allianz Versicherungs said Tuesday that it was seriously considering a higher takeover bid for Eagle Star Holdings of Britain but that it needed more information.

The British tobacco and retailing giant BAT Industries offered £796 million (\$1.18 billion) last week for the British insurance company, or 575 pence a share. That bid, the biggest ever in Britain, topped an offer of 500 pence a share from Allianz, the West German insurer that owns 29.9 percent of Eagle.

The stock market continued to bet on a higher offer from Allianz. Eagle shares closed Tuesday on the London Stock Exchange at 609 pence, down 6 pence on the day. Dealers said some speculators sold because of the delaying move by Allianz, but the price remains well above the BAT bid, acceptance of which has been recommended by Eagle's board.

Allianz said it could not make up its mind until:

• It learned whether the bids would be referred to study to the Monopolies and Mergers Commission.

• BAT released its formal offer document and Eagle responded officially to both bids.

Eagle, complying with British takeover rules, supplied Allianz with forecasts or other inside information given to BAT.

• The Department of Trade and Industry signaled that an Allianz takeover would be permissible under insurance company law.

A spokesman for Morgan Grenfell, Allianz's merchant bank adviser, said all the information should be available within 10 days. Allianz may have a further statement as early as late next week, he said, but is more likely to wait until the following week.

Allianz does not want to show its hand before it is necessary. A study by the monopolies commission, which analysts generally consider unlikely, would delay the bidding about six months. If such a study is to be made, Allianz will want to leave its options open.

In response to Allianz's statement, Eagle Star said that the West German company had "given no firm indication of its intentions."

Eagle's board has embraced the BAT bid as a means of escaping an Allianz takeover but has said that it is open to considering a higher bid from Allianz.

Meanwhile, the market is looking for other likely takeover targets among British insurers. Peter Martin, an analyst at Capel-Cure Myers, said the two most likely candidates appeared to be Phoenix Assurance and Sun Alliance. Both companies' shares have risen about 20 percent since Allianz made its bid for Eagle on Oct. 19.

Mr. Martin said Sun Alliance was the most likely choice. "It has an excellent book of U.K. business, is similar in size to Eagle Star and offers better growth prospects," he said.

Large Deficits Will Slow Upturn, Feldstein Warns

By John M. Berry
Washington Post Service

WASHINGTON — Large federal budget deficits will slow the economic recovery next year but eventually will make the expansion "glacier-like," slower paced, more fragile and more inflationary than if the deficits were smaller, Martin S. Feldstein, chairman of the President's Council of Economic Advisors, said Tuesday.

"Although no one can be sure just how the economy will behave in the face of such unprecedented deficits," Mr. Feldstein told Congress's Joint Economic Committee, "the longer the deficits are expected to persist, the greater are the risks to our economic future."

Mr. Feldstein has repeatedly urged Congress in recent weeks to act quickly on President Ronald Reagan's proposed spending cuts and standby tax increases for fiscal 1986.

But the two committee members present, Senator Lloyd Bentsen, Democrat of Texas, and Representative Lee Hamilton, Democrat of Indiana, said that, politically, Congress cannot produce a deficit-reduction package without the leadership of the president. They were critical of Mr. Reagan's statement last week apparently indicating

that he would not accept any tax increase.

The council chairman replied by stressing that a clarifying statement was issued by the White House the next day declaring Mr. Reagan's continued support for the standby tax proposal, with its requirement for spending cuts. "The president doesn't want a tax package. He wants a deficit-reduction package," Mr. Feldstein said.

Mr. Hamilton said the president has given the strong impression that he wants no part of any tax rise, unlike Mr. Feldstein. "Both of us are against deficits," the Indiana congressman said. "But it seems to me that the president's opposition is conditional, and that he opposes tax increases more than he opposes deficits. It seems to me that you would prefer increases in taxes to an increase in the deficit."

Mr. Feldstein, in tracing the impact of the large deficits — which he said would remain close to \$200 billion annually unless action is taken to reduce them — said much of the effect is felt through higher interest rates relative to inflation.

"It is standard textbook economics to note that the direct fiscal stimulus of the large 1984 deficit will do more to raise demand in 1984 than the increased real interest rates that result from 1984's deficit will do to depress demand,"



Martin S. Feldstein

he said. "It is clearly wrong to say that next year's deficit will abort the recovery in 1984."

In the longer run, Mr. Feldstein continued, high real long-term interest rates caused by the high level of federal borrowing "crowds out activity in key interest-sensitive sectors" of the private economy. So far, much of this adverse impact has been felt by industries producing goods and services for export.

Investment Fund in U.S. Acquires Olivetti Shares

By Axel Krause
International Herald Tribune

PARIS — Italy's Olivetti group has sold a minority share of its stock to an investment fund in the United States and is talking with other, mainly Italian, financial interests about selling additional shares, according to company and Italian banking sources Tuesday.

Olivetti has kept details surrounding the transaction secret, including the identity of the U.S. fund and the number of shares involved. A spokesman at the company's headquarters in Ivrea, Italy, said Tuesday that the sale to the U.S. fund represented part of the shares the company repurchased from the Bull computer company and the Saint Gobain group, both French state-owned.

In announcing that transaction Nov. 2 in Paris, Carlo de Benedetti, Olivetti's chairman, said that he intended to immediately repurchase about half of the 23.3-percent interest in his company held by Bull and Saint Gobain and that he had an option to buy the remaining shares later. The total value of the

transaction was estimated at \$140 million.

The Olivetti spokesman said that the U.S. fund had bought what he termed "a part of the half" that had been repurchased from the French companies and that the remaining shares were transferred to Compagnia Industriale Riunita (CIR).

The spokesman declined to say whether the company would exercise its option on the remaining half of the shares under French control.

CIR is a holding company controlled by Mr. de Benedetti. Until the recent moves, it owned about 15 percent of Olivetti, making it the second-largest shareholder after the French companies.

Mr. de Benedetti indicated to reporters last Friday that CIR might sell the shares, probably to Italian interests, but he declined to go into detail.

A senior Italian banker familiar with the transactions said Tuesday that Italian financial interests were definitely interested in buying the shares, and he indicated that an agreement might be announced within two weeks.

CURRENCY RATES

Interbank exchange rates for Nov. 8, excluding bank service charges

	\$	DM	FF	Yen	DM	FF	Yen	DM	FF	Yen
Australia	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Belgium	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36
Canada	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275
France	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
Germany	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Italy	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663
Japan	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Netherlands	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636
Spain	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Switzerland	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361
UK	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360
US Dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Dollar Values

	\$	DM	FF	Yen	\$	DM	FF	Yen
Australia	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Belgium	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36
Canada	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275	1.3275
France	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
Germany	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Italy	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663
Japan	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825	1.4825
Netherlands	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636
Spain	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Switzerland	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361	2.0361
UK	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360	1.9360

INTEREST RATES

Commercial bank (2) Amounts needed to buy one pound (£) Units of 100 U.S. Dollars

N.B.: not quoted; N.A.: not available.

Source: Reuters

Source: Reuters

Source: Reuters

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N.Y. Stock Prices Show Little Change

NEW YORK — With banks closed for local elections and interest rates still at high levels, prices on the New York Stock Exchange showed little change Tuesday in the slowest trading in nine weeks.

Takeover rumors sparked a bit of action, but Apple Computer's projection of flat earnings put a damper on all markets and General Motors dropped despite a boost in its quarterly dividend.

The Dow Jones industrial average edged up 0.1 to 1,214.94 after having dropped 3.45 Monday to 1,214.84, its lowest level since 1,206.81 Sept. 1. In the previous three sessions, it had fallen 22.46 points.

Declines topped advances 3 to 2. The volume of 64.9 million shares, down from 69.4 million Monday, was the slowest turnover since 59.3 million traded Sept. 2.

"The market simply went through the motions," said Monte Gordon of Dreyfus Corp. "Investors are getting increasingly perturbed at the strength of the economy. If this continues, the Fed won't be able to ease credit and interest rates won't come down."

He said trading was likely to remain slow the rest of the week until the Treasury completes its \$16-billion quarterly refunding, which was pushed to this week because the Senate failed to lift the federal debt ceiling. On Monday, \$6.5 billion of three-year notes sold at an average yield of 11.11 percent, down from 11.43 percent in August and the lowest since May 16.

Harry Vilcof of Suto & Co. in Palo Alto, California, said he thought the market had "about two more weeks of trading to do before it gets to an oversold condition somewhere around the 1,200 level and begins a year-end rally."

BankAmerica was the most active NYSE-listed issue, up 1/4 to 19 1/2 following a block of 780,000 shares at 18 1/2. American Telephone & Telegraph was second, up 1/4 to 62 1/2. Church & Dwight was third, up 1/4 to 28 1/2 amid rumors that it was about to be acquired. After the market closed, Church's denied it was in takeover talks.

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

Source: Reuters

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BUSINESS BRIEFS

W. Germany Agrees to Help Saarstahl After Workers Accept Payment Cuts

BONN (Reuters) — The West German government approved additional aid Tuesday for the financially troubled steel maker Saarstahl, a subsidiary of the Luxembourg-based steel group Arbed, reportedly facing imminent collapse without new funds.

Mr. Lambrecht told a news conference that 86 million Deutsche marks (\$32.1 million) in aid will be available in 1983 and a "final" contribution of 100 million DM is to be made in 1984.

The government decision came after labor leaders had announced that Saarstahl workers had agreed to accept cuts in unemployment compensation, removing the last obstacle to the government rescue.

New Zealand Oil-Stock Boom Faltering

WELLINGTON, New Zealand (Reuters) — Prices of oil-company stocks, which had risen sharply Monday in New Zealand following a hydrocarbon discovery off the West Coast, slipped Tuesday when a southern exploration well was declared dry.

Prime Minister Robert Muldoon had warned Monday night against "excessive enthusiasm" following Friday's announcement of a discovery at the Moki 1 well near Taranaki. He pointed out that only hydrocarbons and not oil had been found.

But an announcement by Placid Oil that it will abandon its Rabbits 1 site discouraged investors in spite of the fact that Placid's license area is about 1,000 kilometers (620 miles) from the Taranaki fields and in a different geological sequence.

Grundig to Make VHS Video Recorders

FURTH, West Germany (Reuters) — Grundig announced Tuesday that it will begin producing VHS-format videotape recorders in mid-1984, in addition to the V-2000 system it already makes.

A Grundig spokesman was unable to say how many VHS recorders are to be produced but said they would be made entirely in West Germany under license from Matsushita Electrical Industrial Co.

Japanese Banks to Reduce Prime Rate

TOKYO (Reuters) — Japanese commercial banks said Tuesday they will cut the short-term prime rate by half of a percentage point to 5.5 percent, effective Friday, in line with the recent reduction in the Japanese discount rate to 5 percent from 5.5 percent.

Their action follows the Japanese central bank's decision early Tuesday to reduce interest rates on time deposits at private banks by a quarter of a percentage point, effective Jan. 4.

ITT Expects Higher 4th-Quarter Net

NEW YORK (Reuters) — ITT Corp. said it expected fourth-quarter earnings to be higher than last year's \$1.84 a share. It would not be more specific.

Earnings for the year are expected to be about 5 percent lower than last year's \$4.75 a share. The drop would be mostly because of extraordinary gains recorded for 1982.

However, earnings from operations for the year should show considerable improvement, ITT said.

Manville Gets Extension of Deadline

NEW YORK (NYT) — U.S. Bankruptcy Judge Burton R. Lifland has given Manville Corp. two more weeks to try to agree with its creditors on a reorganization plan.

Monday's extension was the 10th in the 14 months since Manville filed for protection from creditors under Chapter 11 of U.S. bankruptcy laws.

Citicorp Plans to Buy London Broker

LONDON (Reuters) — Citicorp of New York has announced plans to buy 29.9 percent of Vickers & Co., the British brokerage firm, for about £20 million (about \$30 million).

The 29.9 percent holding is the maximum that foreigners are allowed to buy in a British broker. But outside the U.K., Citicorp is buying majority interests in Vickers & Co.'s overseas offices in Hong Kong, Singapore, Tokyo and New York.

The Citicorp plan, announced Monday, would be the second participation in a London stockbrokerage by a U.S. banking company since the London Stock Exchange relaxed its rules limiting the ownership of member companies, a stock exchange spokesman said. Security Pacific Corp. of Los Angeles earlier bought 29.9 percent of the brokerage firm of Hoare Govett Ltd.

Labor Unrest May Imperil Car Upturn

DETROIT — General Motors Corp.'s decision to boost its dividend in the fourth quarter is further evidence of a rebound in the U.S. auto industry. But one analyst has warned that discontent among domestic autoworkers threatens the recovery.

The "unrest" certainly raises some problems, Harley Shaiken, labor and technology specialist at the Massachusetts Institute of Technology in Cambridge, said.

The pendulum may be swinging back away from concerted and cooperative attitudes of the past few years, he added.

GM announced Monday it would raise its dividend to \$1 from 60 cents a share because of the strengthened U.S. economy and the company's large profits.

GM's gains "have resulted not only from an improving economic environment but also from the efforts of GM's employees worldwide who have worked hard to enable GM to provide outstanding products with good value for our customers," the company's chairman, Roger B. Smith, and its president, F. James McDonald, said Monday.

The No. 1 U.S. automaker had been paying quarterly dividends of only 60 cents a share from the second quarter of 1980 through the second quarter of this year because of slumping U.S. car sales.

But domestic car sales so far this year are up 18.8 percent from 1982, and GM earned a record \$736.9 million in the third quarter. It has had a profit of \$2.4 billion so far this year.

The fourth-quarter dividend, payable Dec. 10 to shareholders of record Nov. 17, applies to more than 310 million common shares stock outstanding.

GM was the only domestic automaker to continue paying dividends through the car-sales slump.

The discontent in the industry has shown itself in various and walkouts. Chrysler Corp. has had two walkouts in recent months and workers Monday dropped out of a GM quality program.

A walkout at Chrysler's Twinburg, Ohio, stamping plant ended Sunday, but not before it had closed five of Chrysler's seven North American assembly plants. Workers were angry about mandatory overtime and safety conditions.

The other Chrysler strike involved about 400 workers in the company's central engineering facility in August. They struck over health and safety concerns, but Chrysler said the walkout did not seriously affect future product plans.

About 3,600 workers at a GM manufacturing complex in Flint stopped participating in a two-year-old quality program to protest the planned layoff of 1,350 workers next summer. The program involves worker participation in some factory decisions.

"The whole crisis in the industry, the concessions contracts, the state of the economy, put a lot of tension in the system," Mr. Shaiken said. "Now, some of those tensions are being brought to the surface."

France's GDP Declined 0.3% In 3d Quarter

PARIS — France's gross domestic product declined in the third quarter by a provisional 0.3 percent after showing a 0.5 percent increase in the second quarter, the government reported Tuesday.

Industrial production increased 0.4 percent, compared with a 0.5-percent rise in the second quarter, but there was an 0.8-percent fall in nonindustrial output mainly caused by a drop in agricultural production and building activity.

Exports increased 3.9 percent, compared with a 3-percent gain in the second quarter, while imports dropped 0.9 percent after a 5.2-percent fall in the previous three months.

Household consumption was stagnant, at the same level as at the end of 1982.

Manila's Financial Woes Blamed on Capital Flight

MANILA — Prime Minister Cesar E.A. Virata blamed the Philippines' financial crisis Tuesday on a major flight of capital in the third quarter and on severe credit restrictions by international banks.

The country had an \$800-million capital outflow from July through September, Mr. Virata said at a conference of businessmen. The government of President Ferdinand E. Marcos has estimated that \$200 million of this figure was due to capital flight, and banking sources say it could be higher.

Mr. Virata said the flight of capital, triggered by the assassination Aug. 21 of Mr. Marcos' main political opponent, Benigno Aquino, compounded the country's debt problem and "resulted in an unmanageable liquidity position" for its central bank.

The prime minister said foreign banks terminated lines of credit worth \$700 million to the central bank earlier this year.

Last month in New York, Mr. Virata secured a 90-day moratorium on debt repayments to banks. He said Tuesday that the government expected to conclude negotiations with the International Monetary Fund on Wednesday for 1984 standby credits worth \$636 million.

He said he had told the Philippines' main trading partners that credits were urgently needed to allow resumption of imports of vital food and raw material, now almost at a standstill.

Japan, Peru Agree On Rescheduling

TOKYO — Japan and Peru have agreed to reschedule the bulk of an estimated \$300 million of Japanese loans supplied for Peruvian crude-oil development since 1981, Japan Peru Oil Co. said Tuesday.

The two governments will exchange letters later this month on rescheduling official loans, and this will be followed by the signing of an agreement on rescheduling commercial loans, the company said.

The rescheduling concerns around 80 percent of \$9.30 billion yen (\$25.3 million) in suppliers' credits given by the Japanese Export-Import Bank jointly with commercial banks, and the bulk of 15 billion yen in official loans supplied by the Japan National Oil Corp., the company said.

U.S. Is Pushing NTT to Open Door Wider to Sales

(Continued from Page 9)

on what items are classified as telecommunications equipment.

Although \$140 million is a small part of NTT's yearly procurement budget of about \$3 billion, it is more than three times the value of U.S. equipment bought in 1982 and nearly 10 times the 1981 figure.

Nonetheless, U.S. trade negotiators and industry executives complain, there are still several restrictions on access to Japan's telecommunications market.

The Japanese, for example, have employed what their critics call unfair trade practices, such as using government-endorsed purchasing arrangements that favor a small group of Japanese companies.

It is one thing, the critics say, for Mr. Shinto, a former shipbuilding executive who took over the public corporation in 1981, to call for opening up the procurement process but it is another to get NTT's 320,000 employees to give up the tradition of buying exclusively from Japanese suppliers.

Foreigners recall Mr. Shinto's predecessor, Tokiji Aikawa, who once said, "The only thing we could consider buying overseas would be telephone poles and mops."

Under Mr. Shinto's stewardship, however, NTT has taken steps to help foreign companies. It translates its requests for bids into English, for instance, and it sends missions abroad to explain NTT's purchasing procedures.

In Mr. Shinto's view, there are two major reasons why U.S. suppliers have won so few orders. For one, U.S. companies have been less than eager to deal with NTT in that they are reluctant to hand over product information to the government monopoly, which has close ties to Japanese companies.

Joint research. The United States wants joint research projects, coordinated by NTT, opened up to foreign companies as well as Japanese enterprises. Much of Japan's research on semiconductors, computers and optical fibers has been done in NTT laboratories.

NTT provides more than 60 per-

cent of the financing for the telecommunications-satellite program of Japan's National Space Development Agency.

A senior Foreign Ministry official explained that Japan had decided to develop its own satellites, rather than buy them.

The U.S. officials respond by asserting that a communications satellite is merely "a switch that orbits" and that several other nations do not hesitate to buy them from the United States.

"The satellite issue is making the discussions on renewal of the telecommunications agreement infinitely more difficult," said W. Douglas Newkirk, assistant U.S. trade representative.

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A Second Meeting, the legal validity of whose Resolutions will not depend on the number of Debentures represented, will therefore be held in one of the function rooms of Grand Hotel Krasnapolsky, 9 Dam, Amsterdam, at 10.00 a.m. on Wednesday, 16 November 1983.

Debenture Holders who wish to attend this Second Meeting should lodge their Debentures at the offices of European Banking Company Ltd, 150 Leadenhall Street, London, or Amsterdam-Rotterdam Bank NV, 595 Herengracht, Amsterdam no later than 14 November 1983 in exchange for certificates of lodgement, production of which will provide admission to the Meeting.

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Business Booms on Copenhagen Stock Exchange

By Peter Gumbel

COPENHAGEN — Since the beginning of the year, Denmark's once tiny bourse has become one of the world's fastest growing stock markets.

For years, the Copenhagen Stock Exchange was a humble and largely irrelevant institution, overshadowed by the more important domestic bond market and attracting little interest either at home or abroad, analysts said.

But an improved economic outlook, government austerity policies have led to a surge of investment, including a record amount from abroad. Foreign investment in the second quarter was twice as much as in the whole of 1982 and more than the total for 1973-79 period.

The Danish all-shares index, set at 100 Jan. 1, has doubled to around 200, far surpassing the growth of stock markets in many

other countries. And volume at the bourse for the first half of this year totaled 640 million kroner (\$66.56 million), a sharp increase from 468 million kroner for all of 1982.

Companies have taken advantage of the boom to raise new issues with a record market value of 1.2 billion kroner, according to official figures.

The government now plans to bring Denmark in line with countries such as France and Sweden by further easing the tax burden on private investors, a move that analysts predict will give an added impetus to the once sleepy market.

The immediate reasons for the rally, which the exchange's half-yearly report termed "explosive," are not disputed.

Investors ignored the market for many years, preferring higher returns from the domestic bond market, which the government used to finance its budget deficit.

Changes in tax rules to ease the

burden of capital gains tax on potential buyers, introduced at the beginning of the decade, had little immediate impact as investors were concerned about the country's soaring inflation and interest rates.

"The stock market was totally underestimated over the past 10 years," said Klaus Pedersen of the bourse's secretariat.

At the moment, each share price is set individually in turn by brokers once a day. When business is brisk, share-pricing sessions often last well into the evening, and shares are still bought and sold at the fixed price long after the official market has closed.

To ease the price-fixing and keep closer control over the unofficial market, the bourse's directors are considering changes in the exchange's quotation system. Mr. Skovgaard, secretary of the exchange, said.

"We need to change the market to make it suit conditions in the 20th century," said Kasper Dullum, finance director of Novo Industri, the Danish biotechnology company.

While the increased activity has propelled the stock exchange into the headlines, it has also strained the existing, old-fashioned institution to breaking point, according to the bourse's secretariat.

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Brazil Optimistic On Trade Surplus

United Press International

RIO DE JANEIRO — Brazil has announced a \$547-million trade surplus for October and says it virtually assured that the \$6-billion target for 1983 promised in a letter of intent to the International Monetary Fund will be met.

Brazil sold \$1.81 billion abroad during October in manufactured goods and raw materials, led by iron ore and coffee, said Carlos Viacava, director of the Import-Export Agency, Monday.

For the first 10 months, the surplus was \$5.463 billion, he said. Brazil promised the IMF a \$6-billion surplus for the year as part of the country's strategy for rescheduling its \$90 billion in foreign debt.

Mr. Viacava attributed the figures to commodity price rises and currency devaluations.

IBH Subsidiary Terex Files in U.S. For Protection From Its Creditors

By Steven Greenhouse

New York Times Service

NEW YORK — Terex Corp., the fifth-largest U.S. construction-equipment maker, has filed for protection from its creditors, following the lead of its parent company, IBH Holding of West Germany.

Terex, of Hudson, Ohio, said it would continue normal business operations while plans were made for its reorganization. The company said it had filed papers Friday afternoon seeking protection from its creditors under Chapter 11 of the U.S. Bankruptcy Code.

Terex officials refused to comment further, but Wall Street analysts were guarded about the company's future.

"They need credit for their dealers and to finance customer purchases," said David G. Sutcliffe, an analyst with Salomon Brothers. "If they can't get credit, they'll have real problems. Customers may not want to buy from someone who might go out of business."

In selling Terex to IBH, GM acquired 19.6 percent of IBH's stock. Since then, GM has apparently extended many millions of dollars to IBH and Terex.

The head of IBH, Horst-Dieter Esch, says GM agreed to forgive \$100 million of debt to IBH in 1982 and \$120 million in 1983 if the SMH bank and a Saudi shareholder would supply the company with \$100 million of fresh capital.

GM officials refused to say Monday how much they were owed by IBH. In Terex's court papers, GM was the largest unsecured creditor, with \$12.3 million in debt, and General Motors Corp. of Canada was the second-largest, with \$3.5 million.

In the papers, Terex said its assets totaled \$197.6 million and its liabilities \$176 million.

Like its parent, Terex has been plagued by the worldwide downturn in sales of construction equipment. IBH had a \$45.4-million loss last year on sales of more than \$900 million, company officials say, and Wall Street analysts estimate that Terex had a loss of one-third to one-half that amount.

Analysis estimated that Terex sold \$300 million to \$400 million in bulldozers, large dump trucks and other equipment last year, down from \$600 million to \$700 million two years ago.

James Lewis, a Terex spokesman, said in a telephone interview

that his company employed 1,100 persons at Hudson and Brooklyn.

Because more than half of Terex's sales are abroad — with Latin American countries major customers — it is also being hurt by Third-World debt problems.

Rescue May Be Widened

The 20-bank consortium that rescued SMH last week may be widened to provide more day-to-day liquidity, banking sources said Tuesday, according to Reuters in Frankfurt.

The Banking Supervisory Office in Berlin has called a meeting Wednesday at which banks that had relatively small money-market lines or deposits outstanding to SMH will be asked not to reduce their exposure.

The meeting, probably to be held at the Bundesbank in Frankfurt, will bring together banks that had money-market lines or deposits outstanding of 5 million to 10 million Deutsche marks (\$1.9 million to \$3.8 million) Nov. 1, the cut-off point that has been used in negotiations on the rescue.

Democrats Propose \$8.5-Billion Bank to Aid Older Industries

By Peter Behr

Washington Post Service

WASHINGTON — Democrats on a House Banking panel proposed Tuesday creating an \$8.5-billion federal industrial bank to provide loans and financial guarantees to older basic industries and help new companies meet foreign competition.

The plan also would create a Council on Industrial Competitiveness, composed of leaders from business, labor, government and the public, to study U.S. industrial problems and propose actions for Congress and the administration.

Companies seeking import relief or assistance from the new industrial bank would have to satisfy the council that they had taken the

steps necessary to become competitive, such as negotiating wage concessions from employees or committing the companies to modernization programs.

The proposal, drafted by the House Democrats, headed by Representative John J. LaFalce, Democrat of New York, is expected to be the principal legislation on industrial policy to come before the

House next year, although a House Democratic Caucus committee is working separately on industrial policy proposals.

The plan's most controversial element calls for setting up a Bank for Industrial Competitiveness, initially financed by \$8.5 billion from the Treasury. It would make loans and financial guarantees to older industries that need to modernize

to remain in business and to "innovative" growing businesses that can't obtain sufficient funds for expansion from private lenders.

House Republicans and some Democrats see the bank as a form of unworkable government interference with the banking system. But Mr. LaFalce and backers concluded that the plan would be too weak without the bank.

Tuesday's AMEX Closing

Vol. of 4 min. 4,000,000
Prev. 4 min. Vol. 4,710,000
Prev. Consolidated Close 4,000,000

Tables include the nationwide prices up to the closing on Wall Street

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
20	19	1.00	12.00	11.00	11.50	+1/4
21	20	1.00	12.00	11.00	11.50	+1/4
22	21	1.00	12.00	11.00	11.50	+1/4
23	22	1.00	12.00	11.00	11.50	+1/4
24	23	1.00	12.00	11.00	11.50	+1/4
25	24	1.00	12.00	11.00	11.50	+1/4
26	25	1.00	12.00	11.00	11.50	+1/4
27	26	1.00	12.00	11.00	11.50	+1/4
28	27	1.00	12.00	11.00	11.50	+1/4
29	28	1.00	12.00	11.00	11.50	+1/4
30	29	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
31	30	1.00	12.00	11.00	11.50	+1/4
32	31	1.00	12.00	11.00	11.50	+1/4
33	32	1.00	12.00	11.00	11.50	+1/4
34	33	1.00	12.00	11.00	11.50	+1/4
35	34	1.00	12.00	11.00	11.50	+1/4
36	35	1.00	12.00	11.00	11.50	+1/4
37	36	1.00	12.00	11.00	11.50	+1/4
38	37	1.00	12.00	11.00	11.50	+1/4
39	38	1.00	12.00	11.00	11.50	+1/4
40	39	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
41	40	1.00	12.00	11.00	11.50	+1/4
42	41	1.00	12.00	11.00	11.50	+1/4
43	42	1.00	12.00	11.00	11.50	+1/4
44	43	1.00	12.00	11.00	11.50	+1/4
45	44	1.00	12.00	11.00	11.50	+1/4
46	45	1.00	12.00	11.00	11.50	+1/4
47	46	1.00	12.00	11.00	11.50	+1/4
48	47	1.00	12.00	11.00	11.50	+1/4
49	48	1.00	12.00	11.00	11.50	+1/4
50	49	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
51	50	1.00	12.00	11.00	11.50	+1/4
52	51	1.00	12.00	11.00	11.50	+1/4
53	52	1.00	12.00	11.00	11.50	+1/4
54	53	1.00	12.00	11.00	11.50	+1/4
55	54	1.00	12.00	11.00	11.50	+1/4
56	55	1.00	12.00	11.00	11.50	+1/4
57	56	1.00	12.00	11.00	11.50	+1/4
58	57	1.00	12.00	11.00	11.50	+1/4
59	58	1.00	12.00	11.00	11.50	+1/4
60	59	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
61	60	1.00	12.00	11.00	11.50	+1/4
62	61	1.00	12.00	11.00	11.50	+1/4
63	62	1.00	12.00	11.00	11.50	+1/4
64	63	1.00	12.00	11.00	11.50	+1/4
65	64	1.00	12.00	11.00	11.50	+1/4
66	65	1.00	12.00	11.00	11.50	+1/4
67	66	1.00	12.00	11.00	11.50	+1/4
68	67	1.00	12.00	11.00	11.50	+1/4
69	68	1.00	12.00	11.00	11.50	+1/4
70	69	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
71	70	1.00	12.00	11.00	11.50	+1/4
72	71	1.00	12.00	11.00	11.50	+1/4
73	72	1.00	12.00	11.00	11.50	+1/4
74	73	1.00	12.00	11.00	11.50	+1/4
75	74	1.00	12.00	11.00	11.50	+1/4
76	75	1.00	12.00	11.00	11.50	+1/4
77	76	1.00	12.00	11.00	11.50	+1/4
78	77	1.00	12.00	11.00	11.50	+1/4
79	78	1.00	12.00	11.00	11.50	+1/4
80	79	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
81	80	1.00	12.00	11.00	11.50	+1/4
82	81	1.00	12.00	11.00	11.50	+1/4
83	82	1.00	12.00	11.00	11.50	+1/4
84	83	1.00	12.00	11.00	11.50	+1/4
85	84	1.00	12.00	11.00	11.50	+1/4
86	85	1.00	12.00	11.00	11.50	+1/4
87	86	1.00	12.00	11.00	11.50	+1/4
88	87	1.00	12.00	11.00	11.50	+1/4
89	88	1.00	12.00	11.00	11.50	+1/4
90	89	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
91	90	1.00	12.00	11.00	11.50	+1/4
92	91	1.00	12.00	11.00	11.50	+1/4
93	92	1.00	12.00	11.00	11.50	+1/4
94	93	1.00	12.00	11.00	11.50	+1/4
95	94	1.00	12.00	11.00	11.50	+1/4
96	95	1.00	12.00	11.00	11.50	+1/4
97	96	1.00	12.00	11.00	11.50	+1/4
98	97	1.00	12.00	11.00	11.50	+1/4
99	98	1.00	12.00	11.00	11.50	+1/4
100	99	1.00	12.00	11.00	11.50	+1/4

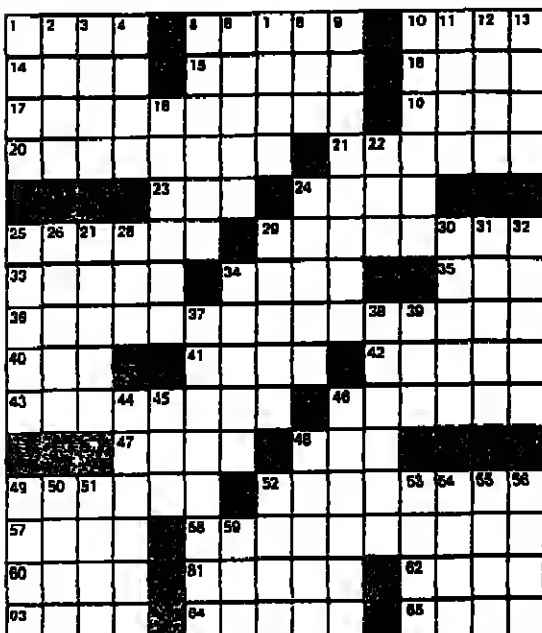
12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
101	100	1.00	12.00	11.00	11.50	+1/4
102	101	1.00	12.00	11.00	11.50	+1/4
103	102	1.00	12.00	11.00	11.50	+1/4
104	103	1.00	12.00	11.00	11.50	+1/4
105	104	1.00	12.00	11.00	11.50	+1/4
106	105	1.00	12.00	11.00	11.50	+1/4
107	106	1.00	12.00	11.00	11.50	+1/4
108	107	1.00	12.00	11.00	11.50	+1/4
109	108	1.00	12.00	11.00	11.50	+1/4
110	109	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
111	110	1.00	12.00	11.00	11.50	+1/4
112	111	1.00	12.00	11.00	11.50	+1/4
113	112	1.00	12.00	11.00	11.50	+1/4
114	113	1.00	12.00	11.00	11.50	+1/4
115	114	1.00	12.00	11.00	11.50	+1/4
116	115	1.00	12.00	11.00	11.50	+1/4
117	116	1.00	12.00	11.00	11.50	+1/4
118	117	1.00	12.00	11.00	11.50	+1/4
119	118	1.00	12.00	11.00	11.50	+1/4
120	119	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
121	120	1.00	12.00	11.00	11.50	+1/4
122	121	1.00	12.00	11.00	11.50	+1/4
123	122	1.00	12.00	11.00	11.50	+1/4
124	123	1.00	12.00	11.00	11.50	+1/4
125	124	1.00	12.00	11.00	11.50	+1/4
126	125	1.00	12.00	11.00	11.50	+1/4
127	126	1.00	12.00	11.00	11.50	+1/4
128	127	1.00	12.00	11.00	11.50	+1/4
129	128	1.00	12.00	11.00	11.50	+1/4
130	129	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld. PE	52 Wk. High	52 Wk. Low	Close	Chg.
131	130	1.00	12.00	11.00	11.50	+1/4
132	131	1.00	12.00	11.00	11.50	+1/4
133	132	1.00	12.00	11.00	11.50	+1/4
134	133	1.00	12.00	11.00	11.50	+1/4
135	134	1.00	12.00	11.00	11.50	+1/4
136	135	1.00	12.00	11.00	11.50	+1/4
137	136	1.00	12.00	11.00	11.50	+1/4
138	137	1.00	12.00	11.00	11.50	+1/4
139	138	1.00	12.00	11.00	11.50	+1/4
140	139	1.00	12.00	11.00	11.50	+1/4

12 Month High	12 Month Low	Div. Yld.	PE	52 Wk. High	52 Wk. Low	Close	Chg.
141	140	1.00	12.00	11.00	11.50	11.50	+1/4
1							
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
17%	13%	100%	100%	100%	100%	100%	+1/4
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17%	13%	100%	100%	100%	10		



ACROSS

1 Fountain drink
5 Barton or Bow
10 Cyclotron item
14 U.S.S.R. river
15 Union chapter
16 Dalai
17 Riddle: Why is this discard like music?
19 Cause of A's, F's, etc.
20 Made well liked
21 Dominion
22 Sun, talk
24 Harvest
25 Least ruddy
26 Humantarian, to a cynic
33 Yoga squat
34 "— fan
35 Before, to the Bard
36 With 58 Across, riddle answer
40 A Crenshaw concern
41 Methuselah's longevity rival
42 Kind of guard
43 Trollup
46 Batista's custer
47 Symbol of purity
48 Vandalize
49 Capri's Blue

DOWN

52 Feelings of discomfort
57 Gale sound
58 See 36 Across
60 Wagner heroine
61 A Person on B'way
62 Light effect
63 Volstead's opponents
64 Dickens-Tennison women
65 Camper's covering
1 Erno Rubik's puzzle
2 N African port
3 Bring in a bass
4 Amor's wings
5 Wine from Bordeaux
6 Gaiety saddle animal
7 Made a perfect serve
8 Sally Field role
9 Sensitive to ragweed, e.g.
10 Syrian city
11 TV sitcom
12 Poet translated by Fitzgerald
13 R. Russell role
18 Babylonian capital
22 Alley Oop's homeland
24 Shoppers' concerns
25 Water carriers
26 — as a fiddle
27 Biddle or stratum
28 Em two followers
29 "— disturb"
30 Official at blackjack
31 Inflied's boot
32 Printer's proof, for short
34 N.Y.'s Island
37 Spread out troops
38 Sacred beetle
39 Cries of surprise
44 Extremists
45 Inst. near Harvard
46 Memorable soprano
48 Gogo's neighbor
49 Hamlet or Macbeth
51 Brewer's oven
52 Alaskan glacier
53 "— first...
54 Error, twist
55 Deserve
56 R.B.I. or e.r.a.
59 Ab — (from the start)

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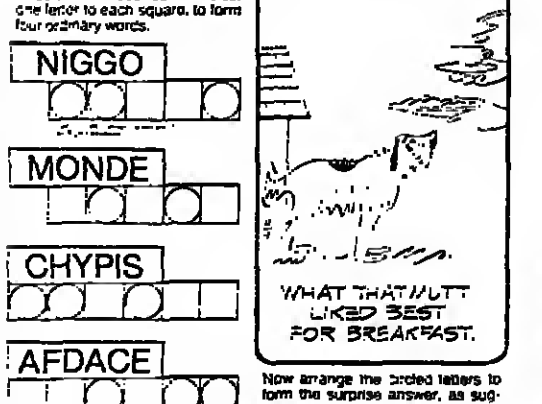
DENNIS THE MENACE



"HOW COME YOU'RE TELLING ME GOODBYE? I JUST GOT HERE!"

JUMBLE

Jumble these four Jumbles, one letter to each square, to form four ordinary words.



Now arrange the jumbled letters to form the words, as suggested by the above answer.

Answers: NIGGO, MONDE, CHYPIS, AFDADE.

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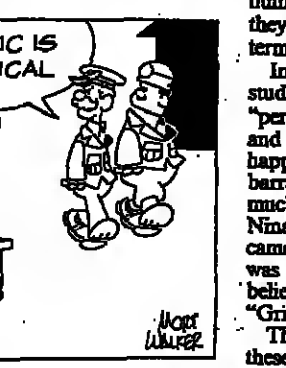
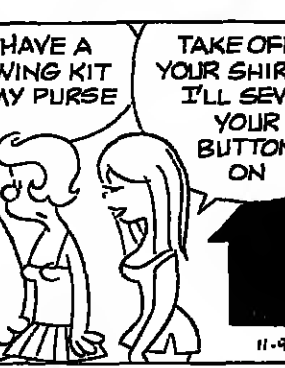
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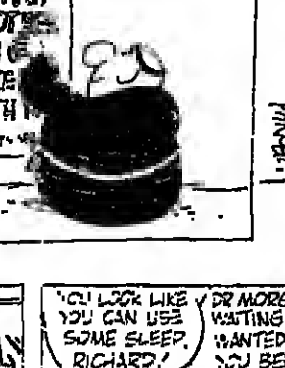
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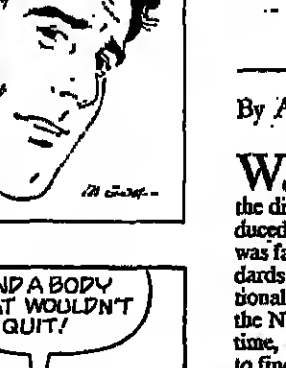
ANDY CAPP



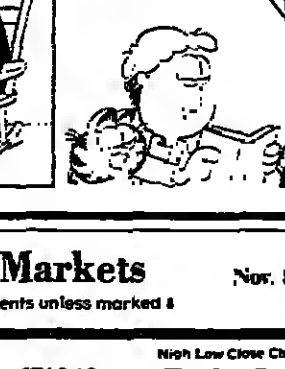
WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

DISTURBANCES IN THE FIELD

By Lynne Sharon Schwartz. 371 pp. \$15.95.

Harper & Row, 10 East 53d St., New York, N.Y. 10022.

Reviewed by Anatole Broyard.

It takes a long time to get to the good part in Lynne Sharon Schwartz's third novel, "Disturbances in the Field." One has to slog through a lot of adolescent talk, which led me to wonder whether anyone but the parents or peers of adolescents could find them consistently interesting. They try so very hard: even their ideas seem to be choked with hormonal changes, to have poor complexions.

The first three-quarters of "Disturbances in the Field" reminded me of "The Men's Club" by Leonard Michaels. Lydia, Schwartz's heroine, meets with Nina, Gaby and Esther in what they call a philosophy study group, just as Michaels's men come together in a club to talk seriously if possible. But while his men struggle with ineffable wants and the baffling nature of human happiness, Schwartz's women, even as they grow older, sound as if they are writing term papers.

In every college, there's a certain kind of student who insists on writing "lyrical" or "personal" term papers, trying to mix memory and desire with the curriculum. When this happens, the instructor is almost always embarrassed or frustrated, and this is how I felt much of the time while listening to Lydia, Nina, Gaby and Esther. All through the book I came across sentences beginning "Hercules believed," "I thought again of Empedocles" or "Grief, Aristotle wrote..."

There's a fortune-cookie quality to many of these quotations, a strenuous and uninspired reaching for analogy or metaphor. Even when the parallel works, it seemed to me like the unadvised lessons of an intellectual nouveau riche. It's hard enough to keep the rather ordinary lives of these four women clear in one's mind without the intervention of Schopenhauer, Abbaard and Heisenberg. In a true novel of ideas, all of these doctrines would have been implicit, for no character comes alive through a reading list. The very title of the book is a labored physics metaphor for human vicissitudes, which does nothing to explain or elevate them. It brings back memories of Kurt Lewin's unwieldy topological psychology.

Twice we hear about the unexamined life's not being worth living, and I was reminded of Joseph Epstein's remark, in his recent book "Middle of My Tether," that he's not so sure about the examined life either. What we need in novels is lived life, examined or unexamined. Schwartz would do well to leave some of the philosophical correlations to the reader. Readers go to school, too.

But there are two sides to Schwartz's book, two voices. Though Lydia ironically refers to the movement from "the cosmic to the personal" as a falling off, she is, like Antaeus, strongest when her feet are on the ground. When the two youngest children of Lydia and Victor are killed in a bus crash while on a skiing trip, she becomes a woman, wife and mother and puts off, at least part of the time, her perennial student persona.

At the end of "Disturbances in the Field," Lydia's voice comes from the center of herself.

BEST SELLERS

The New York Times

This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICITION

Last Week

Week on List

1 POLAND, by James A. Michener 1 16

2 CHANGES, by Deborah Smith 2 10

3 THE NAME OF THE ROSE, by Umberto Eco 3 10

4 THE GEMMARTY, by Stephen King 4 10

5 HOLYWOOD WIVES, by Jackie Collins 5 10

6 WHO KILLED THE ROBINSONS, by Bill Alder and Thomas Chastain 6 10

7 THE ALBUQUERQUE WILL, by Stephen King 7 10

8 THE SAGA OF BABY DIVINE, by Betty 8 10

9 AUGUST, by Judith Rossner 9 10

10 EVERYTHING AND MORE, by Jacques 10 10

11 WINTER'S TALE, by Mark Helprin 11 10

12 CHRISTINE, by Stephen King 12 10

13 MONTAGE, by Robert Mrose and Arnold 13 10

14 RETURN OF THE JEDI, by John D. 14 10

15 HEARTBEAT, by Nina Baym 15 10

NONFICTION

1 MOTHERHOOD, The Second Oldest 1 10

2 IN SEARCH OF EXCELLENCE, by 2 10

3 THE BODY PRINCIPAL, by Victoria 3 10

4 MEGALOMANIA, by John Nadeau 4 10

5 MARY KAY GUIDES TO BEAUTY 5 10

6 ON WINGS OF EAGLES, by Kim Follett 6 10

7 THE BEST OF JAMES HERRICK, by 7 10

8 FATAL VISION, by Joe McGinnis 8 10

9 THE PETER PAN SYNDROME, by Dan 9 10

10 OUTRAGEOUS ACTS AND EVERY 10 10

11 DAY REBELLIONS, by Gloria Steinem 11 10

12 CREATING WEALTH, by Robert G. Allen 12 10

13 VIETNAM: A History, by Stanley Karnow 13 10

14 THE ONE MINUTE MANAGER, by 14 10

15 NOTHING DOWN, by Robert G. Allen 15 10

TOUGH PEOPLE DO, by Robert H. 15 10

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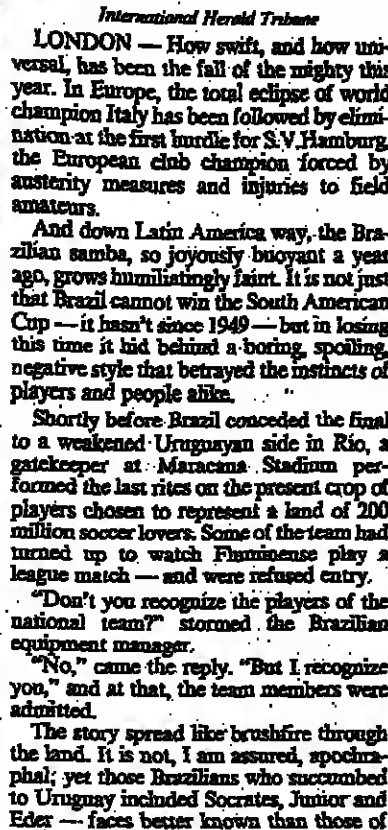
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SPORTS

Brazilian National Team the Latest of Soccer's Fallen Mighty



Jubilant Junior
After a World Cup goal

LONDON — How swift, and how universal, has been the fall of the mighty team. In Europe, the team of the world champion Italy has been followed by elimination at the first hurdle for S.V. Hamburg, the European club champion, forced by austerity measures and injuries to field amateurs.

And down Latin America way, the Brazilian samba, so joyously buoyant a year ago, grows humbly faint. It is not just that Brazil cannot win the South American Cup — it hasn't since 1949 — but in losing this time it hid behind a boring, spoiling, negative style that betrayed the instincts of players and people alike.

Shortly before Brazil conceded the final to a weakened Uruguayan side in Rio, a goalkeeper at Maracana Stadium performed the last rites on the present crop of players chosen to represent a land of 200 million soccer lovers. Some of the team had turned up to watch Flamengo play a league match — and were refused entry.

"Don't you recognize the players of the national team?" roared the Brazilian equipment manager.

"No," came the reply. "But I recognize you," and at that, the team members were admitted.

The story spread like brushfire through the land. It is not, I am assured, apocryphal; yet those Brazilians who succumbed to Uruguay included Socrates, Junior and Eder — faces better known than those of

the pope or president. So could it be that our goalkeeper was making known the common man's feelings that the national team's recent style is foreign to him?

If so, he was narrowly ahead of the multitude. Days later Brazil, already 0-2 down after the first leg in Uruguay, groped

through a pitiful, defensive 1-1 draw. The crowd of 90,000 whistled loud and long.

The decision fell principally, and for once rightly, on the coach. Regular readers of this column will know that I bear no ill-will toward Carlos Alberto Parreira; indeed his command of language and his unflinching courage makes him a journalist's dream among international managers.

To Brazilians, he is an endearing but totally misguided coach. Anyone who saw the majority of matches the team played in Europe last summer, under Parreira's hand for the first time, sensed the deep disappointment that was coming down in Rio.

The most Parreira justified tactics that stifled natural Brazilian exuberance with a defensive nervousness his players neither understood nor wanted to understand, the more one asked for the attack-and-bombard philosophy the Brazilians briefly resurrected at the 1982 World Cup.

"We did not win the World Cup," emphasized Parreira. No, but you won the hearts and souls of millions who like to see the game played as a creative sport. "To

win a World Cup," he continued, "we must instill a more competitive mentality into the team."

In essence critical both in word and deed of Tele Santana, the departed manager who attempted to restore traditional Brazilian style, Parreira admits he seeks to reverse the attitudes, the organization, the beliefs of his own people.

Even in defeat, Santana had said that the game is not worth playing as a mere athletic contest; without enjoyment and superior techniques, there is no soccer. Parreira, the country's second national coach in five years to be steeped in physical training rather than soccer knowledge, began what amounts to a one-year trial period with a win-at-all-costs approach.

If it meant asking a defender to crudely chop an opponent advancing on goal, then do it. The trouble is that Brazilians do not know how. They are all, in their shanties and on the beaches, forwards, all ball-players. They are bred on the emotional way of playing which, when Pele was beginning in 1958, inspired a 14-year-old

boy in Rio, that the ecstatic homecoming of World Cup winners persuaded him that soccer was the profession for him. He could not play so well, but never mind; he would train.

This chance at the top came completely at the wrong time. The best Brazilians — Zico, Falcao, Cerezo — were abroad at the start of the summer tour. The best of the

rest were tied up with club duties, and when Italian teams began enlisting even the next wave of young Brazilians (left back Pedrinho and forward Luviano to Catania, striker Eloi to Genoa and forward Junior to Lazio), Parreira's excuses flooded from Parreira:

"We can say goodbye to the 1986 World Cup already," he said.

The fire-chasing Brazilians abroad are striking a rich vein even while Parreira's substitutes fail at home. Last Sunday was Zico's turn. Scoring his eighth goal since his controversial move to Udinese, he over-turned the Italian league form book by beating Roma — and compatriots Falcao and Cerezo.

Brazil would have given anything to have had the three of them in action, although how they would respond to orders to chase back and harass opponents is open to question. Left winger Eder, a wayward individual at best, is blunted by such duties. Socrates (the one Brazilian to attract consistent praise in criticism) flounders without artists to serve. And the crowd boos Parreira.

They can see that, around center-backs Mario and Bozer, Parreira builds a more solid defense. They can even see that Jose Carlos Nepomuceno Mozer, just 22, has the long stride and confident ability to become another Beckenbauer. But Brazilians do not want their heroes built into the heart of defense.



Somber Socrates
During the European tour

Evans of Giants Hottest Item in Free-Agent Draft

NEW YORK — Darrell Evans, the San Francisco Giants' slugging infielder, was the top pick Monday in baseball's free-agent re-entry draft, being chosen by 17 teams in a selection process that several clubs

building a winning team. Of the 45 free agents available, 29 were picked by fewer than four teams, meaning they can negotiate with any team they want.

California retained the rights to

Rod Carew, but the Angels might be the only club interested in the 38-year-old seven-time American League batting champion, since he was not selected by any club.

Other top names also received scant attention. Infielder Manny Trillo of Montreal was tapped only once and outfielder Dave Parker of Pittsburgh and catcher Ted Simmons of Milwaukee were picked by only two teams each.

"I think clubs are getting more selective," said San Diego General

Manager Jack McKeon. "They're looking for players who fit specific needs. They're not drafting a Carew for Carew's sake. They're looking deeper into their plans and finding the one or two guys that can make them a winner."

After Evans, who hit 30 home runs in 1983, the two most popular picks were relief pitchers Kent Tekulve of Pittsburgh, chosen by 12 teams, and Rich Gossage of the Yankees, selected 11 times. The Pirates and Yankees each retained

the right to negotiate with Tekulve and Gossage, respectively, as did San Francisco with Evans.

Two players, pitcher Dan Schatzeder of Montreal and first baseman-outfielder Dennis Walling of Houston, were chosen by eight teams. Six players — outfielder Oscar Gamble of the Yankees, utilityman

Darrell Thomas of Los Angeles and pitchers Jerry Koosman of the Chicago White Sox, Frank LaCorte of Houston, Steve Carlton of Cleveland and Mike Wilcox of Detroit — were chosen by seven teams.

Thomas was one of only two players whose negotiating rights were not retained by his former club, the other being outfielder Gene Richards of San Diego.

The Draft, Team by Team
The Associated Press
NEW YORK — Players chosen in Monday's free-agent re-entry draft (round club in parentheses):

Atlanta Braves: (1) Steve Carlton (2) Steve Carlton (3) Steve Carlton (4) Steve Carlton (5) Steve Carlton (6) Steve Carlton (7) Steve Carlton (8) Steve Carlton (9) Steve Carlton (10) Steve Carlton (11) Steve Carlton (12) Steve Carlton (13) Steve Carlton (14) Steve Carlton (15) Steve Carlton (16) Steve Carlton (17) Steve Carlton (18) Steve Carlton (19) Steve Carlton (20) Steve Carlton (21) Steve Carlton (22) Steve Carlton (23) Steve Carlton (24) Steve Carlton (25) Steve Carlton (26) Steve Carlton (27) Steve Carlton (28) Steve Carlton (29) Steve Carlton (30) Steve Carlton (31) Steve Carlton (32) Steve Carlton (33) Steve Carlton (34) Steve Carlton (35) Steve Carlton (36) Steve Carlton (37) Steve Carlton (38) Steve Carlton (39) Steve Carlton (40) Steve Carlton (41) Steve Carlton (42) Steve Carlton (43) Steve Carlton (44) Steve Carlton (45) Steve Carlton (46) Steve Carlton (47) Steve Carlton (48) Steve Carlton (49) Steve Carlton (50) Steve Carlton (51) Steve Carlton (52) Steve Carlton (53) 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OBSERVER

The Thin Man's Diet

By Russell Baker

NEW YORK — At dinner this woman is telling me about her weight. She is up to 105 pounds and wonders whether she dare eat dessert. I think she should eat five or six desserts because she looks as if a quick whiff of my napkin could blow her off her chair, but naturally I keep quiet.

Skinny women don't enjoy being told they're skinny cowards. They enjoy telling you how they got that way, as though starvation were an achievement. They want to be praised for their willpower.

All you can do with this woman is assure her that a figure as svelte as hers can only be made a doll more luscious with a piece of chocolate cake. This is diet conversation, one of the curses of modern social life. It makes me yearn for the good old days, which I've always thought were mostly bunk.

Still, there was a good old day when Americans didn't insist on being praised for being as flat as ironing boards. I have seen photographs of that day. They show tycoons wearing their girth as badges of success. They show women of such fullness that you know for sure that under the corsets there is not a bony protrusion anywhere.

Did these people sit around exchanging talk about how they became so plump? Did they brace up at the dinner table with questions like, "Do you think I'll lose a pound on the hips if I don't eat the dessert?"

Surely not. People who are eating well don't usually spend a lot of time talking, except to call for second helpings.

I suppose the medical wisdom that conditioned people not to eat so enthusiastically has been good for the United States' health, but it's been terrible for social conversation. People who don't have to go hungry have chosen to do so anyway like to talk about their predicament, as people who have undergone surgery like to talk about their operations.

I understand that. It must be hard never eating as much as you'd like when the table is groaning with food, and I suppose being praised for their abstinence helps them to endure, so I try to play the game and praise their willpower.

sympathy may be because I was born with skinny genes and have always wanted to be 20 pounds heavier. This annoys people who are always hungry from dieting, and sometimes they can become spiteful about it.

Once, for example, I was invited to lunch with an extremely vital business executive about some trivial affair. I could have told he was very big in corporate affairs without checking Who's Who, because he was all bone with oozing but skin stretched over it.

He ordered first: a glass of soda water with a slice of lime, a piece of flat white fish with no sauce and a salad without dressing. I ordered the steaks in garlic butter to start, followed by the steak with potatoes and buttered asparagus, and an ice-cream sundae for dessert.

I could tell from the way he looked at the waiter that I would never become a corporate vice president if he had anything to do about it. "What do you do for exercise?" he demanded. "Jog? Play tennis?"

His gratification on hearing that I did not gleamed through the sparkle in his eyes. I knew what he was thinking: "So, glutton, go ahead and stuff yourself, and I shall live to see you dead of aerobic insufficiency."

This prospect raised his spirits, making it easier for him to watch me enjoying a good meal. This didn't depress me as much as he wanted it to, because I am aware that Methuselah lived 900 years without ever jogging around Central Park. Still it made me yearn for the good old days when two men of the world could get together without engaging in a boasting competition about their bodies' capacity for storing oxygen.

I am reasonably sure there was once such a good old day. I am almost certain, for example, that Abraham Lincoln never jogged. While it would have enlarged his oxygen-storage capacity, it would probably also have made him a famous fool. Imagine having to lunch with a Lincoln looking on and on about how Grand would be a much better general if he gave up whiskey and started jogging five miles every day before battle.

New York Times Service

Robert Waterman's Search for Success

By Samuel Abt

International Herald Tribune

PARIS — Economic principle No. 1: In some remote time about a decade ago, before there really was a Japan, the business of the United States was business, and business was good. Economic principle No. 2: Now it isn't and maybe never will be again.

But running a business successfully seems to be so simple, as Robert H. Waterman Jr. explains it. "You've got three elements: people, making things, selling things. Somewhere, in a distant fourth place, is keeping track of things." The problem, he contends over breakfast here, is that these priorities have often become reversed.

"A lot of businesses have been treating humans as if they were machines, a business as if it were an abstract, a series of engineering components you could break down." For an instant Waterman looks surprised, as familiar as this finding is a year after the publication of his best-selling book, "In Search of Excellence: Lessons From America's Best-Run Companies."

"The common explanation of success used to be 'if you're big, you're best,'" Waterman says. "The lessons of Eastern Airlines and International Harvester argue otherwise now, as does 'In Search of Excellence.' The book preaches that in bigness, small is beautiful."

Writing with Thomas J. Peters, Waterman states that "American companies are being stymied not only by their staffs . . . but also by their structures and systems, both of which inhibit action." A softspoken, 46-year-old business consultant, Waterman has an antidote, which he describes as a "general upbeat message." "There is good news from America. Good management practice today is not resident only in Japan."

He and Peters examine 14 big businesses — annual sales above \$1 billion — and find "8 basics of management excellence [that] don't just work because they work." They work because they make exceptional sense.

Reordered sometimes to B-school shorthand, these basics are:

• A bias for action, for getting



Author Waterman: "We're on a roll."

oo with it — "Even though these companies may be analytical in their approach to decision making, they are not paralyzed by that fact (as many others seem to be)."

• Close to the customer — "These companies learn from the people they serve. They provide unparalleled quality, service and reliability — things that work and last."

• Autonomy and entrepreneurship — "The innovative companies foster many leaders and many innovators throughout the organization. They are a hive of what we've come to call champions."

• Productivity through people — "The excellent companies treat the rank and file as the root source of quality and productivity gain. They do not foster we/they labor attitudes or regard capital investment as the fundamental source of efficiency improvement."

• Hands-on, value driven — "Thomas Watson Jr. [of IBM] said that the 'basic philosophy of an organization has far more to do with its achievements than do technological or economic resources, organizational structure, innovation and timing.'"

• Stick to the knitting — "Robert W. Johnson, former Johnson & Johnson chairman, put it this way: 'Never acquire a business you don't know how to run.'"

• Simple form, lean staff — "The underlying structural forms and systems in the excellent companies are elegantly simple. Top-level staffs are lean."

• Simultaneous loose-tight properties — "The excellent companies are both centralized and decentralized. For the most part . . . they have pushed autonomy down to the shop floor or product development team. On the other hand, they are fanatical centralists around the few core values they hold dear."

His and Peters' lessons have sold more than a million copies in the United States. It is still selling so well in hardcover that the publisher, Harper & Row, paid \$500,000 to a paperback publisher to delay publication from this month until March.

More than 400,000 copies have also been sold in the Japanese edition, Waterman says. A few weeks after publication, the French and German editions

have sold their first printings of 8,000 copies.

He is in Paris visiting the office of McKinsey & Co., the business consultancy of which he is a director, or senior partner. The book grew out of a study McKinsey did in 1977.

Waterman himself appears to have responded adroitly to the change from consultant to successful author. "Peters and I each get four or five requests a day to speak somewhere. I probably average between four and ten appearances a week, many of them all-day seminars. If they're in northern California, I do it just to keep me at home. He lives in Hillsborough, between San Francisco and Palo Alto, the hub of Silicon Valley and its high-tech industries, including high-tech self-help books."

Good-natured, humane and jargon-free, "In Search of Excellence" does have a California feel, Waterman admits. "If it had been written anywhere else, it would have sounded different." A native of Denver, he has a 1958 degree in geophysical engineering from the Colorado School of Mines and a 1961 master's in business administration from the Stanford Business School, where he is an occasional guest lecturer. Peters, who holds a master's and a doctorate from the Stanford Business School, teaches there.

Their future projects include a financial analysis of excellence. "We're doing a study of a random stock portfolio versus these companies. We're also looking at their financials. But on return to their investors, we don't know yet. Timing is all. When the market started to turn around about a year and a half ago, I bought these companies and I've done very well."

They have at least two more books coming. One, Waterman says, is a collection of articles written before "In Search of Excellence." The other is a bigger project, what he describes as "a snapshot in time, how these companies got to be excellent. Also, some companies have taken our ideas and we'd like to look at them and see how they're doing."

"We're on a roll. We'll stay busy as long as people keep reading us."

PEOPLE

Ranch Aide Resigns

President Ronald Reagan

Monday accepted "with great regret" the resignation of Dennis LeBlanc, the \$58,000-a-year Commerce Department official whose duties

included doing chores at Reagan's California ranch. LeBlanc said he is leaving his job as associate administrator of the National Telecommunications Administration to take a position with Pacific Telephone & Telegraph Co. A former California state trooper who had served as chauffeur when Reagan was governor, he moved to Washington and worked in the White House when Reagan was elected president. Soon after, LeBlanc joined the Commerce Department and headed a staff of 12 to develop a national telecommunications policy — though he acknowledged at least two staff members, "I have no communications background." While in government service, LeBlanc continued to make trips to California with Reagan. He was paid by the Commerce Department during those trips, although Commerce officials said the bill for his salary was sent to the White House. Despite his high position in formulating national telecommunications policy, LeBlanc helped Reagan chop wood, clear underbrush and do other chores at the president's Santa Barbara ranch.

Corretta Scott King, widow of the U.S. civil rights leader Martin Luther King, is in Zimbabwe this week to help organize a conference of African women. She arrived Monday night with 15 other American women who will be advising Zimbabweans on preparing for the 1985 conference. It is Mrs. King's first visit to Zimbabwe, which was ruled by its white minority until establishment of a black majority government in 1980.

The violin virtuoso Jascha Heifetz says "I didn't resign, I quit," in a dispute over his master classes at the University of Southern California. Earlier this year the 82-year-old Heifetz sued the university for allegedly reneging on promises to fund the program. He disputed a report in the student newspaper that he had resigned because of his age. "Nonsense — I quit," said Heifetz on Monday at his hilltop home in Beverly Hills, where he has

continued his classes since March. Heifetz has not performed in public for 10 years.

On his 63rd birthday Monday, Billy Graham stood at the side of his first major crusade in Los Angeles and preached part of the sermon he first delivered in 1949, but added a warning that nuclear war might be God's instrument of judgment. In an update to the "hellfire and brimstone" message he preached at the tent meetings that launched his ministry as an evangelist, Graham said the United States must repent of its sin of nuclear war might be God's punishment. "As I did 34 years ago, I must give the same message today as I did 34 years ago," Graham told several hundred onlookers at a ceremony unveiling a city-center plaque commemorating his first big crusade. "The nations of the world stand at the very brink of Armageddon." Ray Rogers and Dale Evans led the crowd in singing "Happy Birthday."

The self-styled King Richard of Hay-on-Wye in Wales vowed Monday to hang onto his crown, despite a weekend referendum in favor of toppling him. King Richard, better known as Richard Booth, declared the Welsh market town an independent kingdom — and himself the monarch — six years ago. He issued his own currency, set up customs posts and renamed his home Hay Castle. The 1,500 townspeople mostly shrugged and went about their business, the bulk of which was selling second-hand books, of which Hay — on the Welsh-English border — is a world center. The kingdom remained peaceful until Leon Morrell, a London businessman who like Booth owned a bookshop, argued with him over their efforts to establish a Welsh Tourist Board and offer of Welsh government aid to bring in industry. Booth, a traditionalist, wanted to reject both. Morrell called a referendum, inviting locals to cast their votes by throwing darts at a likeness of the monarch in a town pub. A bulls-eye won the thrower a glass of sherry. Morrell said a majority of those who voted over the weekend favored deposing the king. But Booth dismissed the results as unrepresentative.

China Sets 1984

For Pact on H

By Michael . . .
BEIJING — China's foreign ministry announced Monday that it had agreed to a preliminary draft of a 1984 agreement on human rights with the United States. The draft, which was sent to the U.S. State Department for comment, was the first of its kind since the 1978 Shanghai Communiqué. It was a significant step in the Sino-American dialogue on human rights, which has been a major point of contention between the two nations.

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IN THE STATES OF:

JAMES WILLIAM REVE, DECEASED
(Who died 17 May 1971)

HUGH LONDEL REVE, DECEASED
(Who died 27 May 1971)

MRS. BEATRICE MARY HANSEN
(Who died 4th May 1945 then resided in Belgium)

Will any person who believes that they have an interest in the residue of any of the Estates referred to above, please contact Mr. John David Hope of Cognac, Black & Kahn, Solicitors of 199, rue de la République, 93000 St. Denis, 93200 Paris, 75013, who will inform them of their rights and of the steps to be taken to protect their interests.

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